NHS
Royal Surrey
NHS Foundation Trust

2020 - 2021

Annual Report and Accounts

WORLD CLASS CARE
FOR OUR COMMUNITY

Royal Surrey
NHS Foundation Trust

Annual Report and Accounts

2020 – 2021

Royal Surrey NHS Foundation Trust

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

Please note, guidelines regarding the use of personal protective equipment (PPE) and social distancing have changed throughout the year. Staff pictured in this report were adhering to the rules at the time image was taken.

NHS
Royal Surrey
NHS Foundation Trust

Contents

NHS
Royal Surrey
NHS Foundation Trust

Foreword from our Chair

Sue Sjuve, Chair

"In the midst of a pandemic that shook our nation to its core, the passion, warmth and innovation our teams displayed was inspiring. As ever, care starts and ends with people."

It is difficult to reflect 2020/21 without reaching for the oft-repeated cliché, it was 'an unprecedented year'. Cliché or not, it is certainly true that this past year was unlike any I have known as Royal Surrey's Chair, or indeed throughout my lifetime.

I felt privileged to be able to train as a *Covid-19* support worker and support my colleagues on the wards for a couple of days a week during the first and second waves of the pandemic, as well as provide administrative support in the vaccination hub. Working alongside our staff gave me a fresh and humbling insight into their huge dedication, resilience, compassion and skill, which I will never forget or take for granted.

In addition, I was struck by colleagues' ability to go further than this: to keep innovating, keep improving, continuing to change our services for the better, even during a pandemic that has brought the nation to a halt.

This year has brought into sharp focus not only the critical role of innovation, but also the role of clinical research in helping understand and combat disease. At the outset of the pandemic, our research focus turned to supporting the national effort on prevention, diagnosis and treatment of *Covid-19*. We launched 14 *Covid-19* research studies, 11 of which were Urgent Public Health studies undertaken as part of the national programme to combat *Covid-19*. We recruited more than 1,250 participants to our Covid-19 studies, supported by more than 100 members of staff. Findings from these studies have advanced the understanding of *Covid-19* and led to treatments for critically ill *Covid-19* patients that are saving lives across the UK and beyond. At the same time, we maintained around 70 non-*Covid-19* trials delivering life-changing experimental therapies to patients with other serious conditions.

Everything we achieved in 2020/21, we achieved collaboratively. It is my view that it is not truly possible to put patients at the centre without taking a system-wide, holistic approach to care. Indeed, one of our True North goals as a Trust focuses on improving population health and patient experience by working with our system partners. In 2020/21, it was therefore fantastic to see Royal Surrey's CEO Louise Stead appointed as Place Based Leader for the Guildford and Waverley Integrated Care Partnership. This has allowed us to continue to build and

strengthen a wide variety of partnerships across our system.

Louise's appointment provides a firm foundation for place-based integrated care. This has been particularly vital as we worked through the pandemic as one local system. We relish our developing role in the emerging system, now and in coming years, and the ability to provide truly integrated care for our population.

Our staff are the heart, soul and foundation of our organisation. In 2020/21 we redoubled our efforts to support staff wellbeing, with the percentage of staff reporting the Trust taking action on health and wellbeing increasing by 8 per cent. From mental health to financial and wider support, we piloted or introduced a wide range of activities as part of a new wellbeing strategy and supported in part by the Trust's Charity.

An essential part of wellbeing is the ability to bring our whole self to work. Creating an inclusive, welcoming and open culture has been a focus for our leadership team. During the year, we appointed our first Executive Lead for Equality, Diversity and Inclusion, Nick Sands, who is also Director of Transformation. Our teams created three new staff networks: our staff disability and wellness network DAWN, our LGBTQ+ network and our BAME network. This is an area where we can, must and will do more. I look forward to reporting on our progress in next year's report.

In healthcare, the patient's voice is the most important. I would like to conclude this foreword by sharing reflections from one of our *Covid-19* patients, Samuel Daniel. Sam survived *Covid-19* and after nine weeks moved out of ICU isolation at Royal Surrey for further recovery time in our care, before returning home to his family. He reflected:

"The amazing care and love that I received from all the staff at Royal Surrey will always stay with me: from the consultants, doctors and nurses to the cleaners and the hospital porters who all treated me with total care and respect. They perform their vocation with great dignity and compassion – honouring and respectfully treating all their patients. Such amazing qualities cannot be measured."

Together, with our teams, our patients, our community and our local system partners, I know that we will continue to build on all that we achieved. As we look back at the year, I know that we stand tired, emotional, changed by all that we have been through. I also know that we stand stronger, closer and, as ever, as a family, united by our desire to care for others.

I would like to extend my sincere and heartfelt thanks to all of our teams.

Sue Sjuve
Chair
Date 9th June 2021

Statement from our Chief Executive Officer

"The spirit of 2020/21 was captured perfectly in one of our lead Covid consultant's often repeated phrase: 'We've got this. Together, we've got this.'"

Louise Stead
Chief Executive Officer

'Together' was a theme of 2020/21. It is central to our values as a Trust in any year - Learning Together, Caring Together, Excelling Together – but as we worked through multiple waves of a pandemic that has changed our work irrevocably, this sense of togetherness carried us through.

As Chief Executive, while I feel a deep sense of loss as I reflect on the year, I have also never felt so proud. Royal Surrey's teams truly went above and beyond, not only to care for *Covid-19* patients while putting their own lives at risk, but also to care for other patient needs throughout the year.

Zero Harm

One of our Trust 'True North' goals is Zero Harm. This commitment to safety guided all of our decisions and was a key part of our determination to continue our vital cancer work. Like most other acute hospitals throughout the country, we faced the challenge of managing *Covid-19* patients alongside patients presenting with other conditions requiring emergency treatment and care. Despite this, our teams managed to successfully maintain cancer elective operating throughout the pandemic's first and second waves. The integrated working with Guildford Nuffield allowed us, as a specialist cancer centre, to maintain a clean 'green' pathway for elective cancer patients to receive the high quality, urgent treatment that they would otherwise have had to delay.

Safety also guided vital decisions around Surrey Safe Care, our new electronic patient record. This is due to launch in late 2021, which, thanks to the hard work of our teams, was delayed by the pandemic by only three months. Engagement and testing was carried out virtually, pioneering new approaches to traditional face-to-face methods. Indeed, the pressure of the pandemic revealed just how urgent Surrey Safe Care is for our organisation, with its potential to support new ways of working, alongside many other benefits when it is in place later this coming year.

Our clinical approach to *Covid-19* evolved throughout the year, as we put learning quickly into action. Our pioneering use of Continuous Positive Airway Pressure (CPAP) allowed us to share learnings with colleagues around the country while continually improving our clinical approach. The rapid construction of Guildford Ward in July 2020 created a purpose built isolation unit, which allowed us to protect our ICU capacity while reducing the wider risks of infection.

Our focus on safety showed in both our actions and our results. Despite the challenges of *Covid-19*, we continued to achieve survival rates that are among the best in the country, in the top four hospitals in England.

Staying responsive and effective in the midst of a global crisis

We had to respond rapidly during the year, innovating and adapting at unprecedented speed. The shift to virtual appointments was swift and highly effective. Within days our outpatients booking team mobilised and begun the momentous task of converting thousands of appointments to virtual consultations; our shielding workforce were upskilled and equipped to work from home and within weeks, 80% of our outpatient activity was being delivered virtually. Over the year we delivered 21,255 video consultations and 181,112 telephone conversations. Both our staff and patients have embraced the move to virtual – with one patient describing virtual consultations as a 'brilliant way to get medical help… money saving and less stressful'.

Drive-through services are also now part of our 'new normal' for outpatients, with patients able to access services including blood tests and implanted cardiac device check-ups from the safety of their car. Patients requiring prescriptions are also able to take advantage of a drive-through pharmacy, reducing the risk of infection to vulnerable patients and allowing them to receive safe and socially distanced care.

Our drive-through Glaucoma monitoring and eye pressure measurement service is thought to be the first of its kind in England. It takes seconds to perform tests through an open car window and gives an instant result. We know that this feeling of safety really helped our patients to feel secure in reaching out to us, providing reassurance during a difficult time.

Many of the changes made will have long lasting impact. We acted quickly to set up acute frailty services using the community bed base at Milford Hospital to create more capacity for sick patients. In addition to creating capacity, this move allowed us to significantly increase the scope and complexity of the care we are able to offer at Milford Hospital. Its Frailty Unit can now manage the full spectrum of complex needs as well as rehabilitation. This means we are now in a position where we can offer acute frailty care in the community at nationally recognised high standards of care.

Our Emergency Department performance improved over the year – and in the final six months of the year the benchmarked Type 1 Four Hour performance was consistently upper quartile.

Our responsive approach was perhaps most striking in our vaccination hub. In December, an expert team of Royal Surrey staff including nurses, doctors, pharmacists, managers, estates and facilities teams and workflow experts used Quality Improvement methods to get the vaccination hub up and running in just two days. With no other suitable location at the time, our staff sacrificed their canteen to make room for the hub in order to start vaccinating the most vulnerable members of our community. After only a few weeks to refine the process, vaccinations were taking just five minutes from when a patient arrives at the hub.

Reflecting on this and our other achievements, it is clear to me, as a leader, just how important it was that our people had trust and freedom to innovate. Once the decision was made to go ahead with a new approach, teams came together and made it happen, safe in the knowledge that they were trusted and given autonomy as experts in their fields. Working alongside colleagues as a peer vaccinator in our vaccination hub was a privilege and very inspiring – it was also an opportunity to see the way our teams innovated together first-hand as one of the volunteers.

I am proud of the work of our leaders at all levels of the organisation for the way that they supported our people by setting this clear direction and trusting their teams. It is my belief that this has led to a whole new generation of Quality Improvement practitioners in our Trust who are able to create, test and sustain improvements with confidence.

Statement from our Chief Executive Officer

Staying connected

In the midst of this change, we maintained effective ways of working and created new ones: whether by moving all of our staff inductions online or by creating virtual Quality Improvement training, so that our teams could access vital tools and support to make changes. From governance to staff briefings, fundraisers or more, we adapted and used virtual means to maintain our effectiveness. The role of our estates and IT teams in this was vital.

At a time when face-to-face interactions were greatly reduced, new ways of working were vital for our system partnerships. Working closely with our colleagues across the Surrey Heartlands Integrated Care System and Integrated Care Partnership was essential to respond to the pandemic and our bonds have grown closer throughout the year. We were also proud to have shown our commitment to system partnerships in a very practical way: making our hospital available to nearby trusts for both ICU support and transfers and ambulance diverts as they came under pressure during *Covid-19* waves.

Looking after our people and caring together

It was a year in which our workforce gave so much: emotionally, mentally, and physically. Throughout the year, we continued to expand and improve our well-being offer from access to talking therapies to trauma support, coaching and more. The support from our community was undoubtedly vital in keeping us all going during difficult times. This took the form of donations, hot food and many other forms of support. It will never be forgotten, and I want to thank everyone who supported our teams.

Caring together is one of our values, and for me this value is not only about caring together as colleagues but in partnership with our patients. We had to find new ways of making sure that we stayed close to the needs and views of our patients. To enrich our understanding of patient experience further we invested in new software powered by artificial intelligence that tracks patient opinion using social media and other online public forums, providing real-time insight into what our population is saying and feeling.

Understanding the impact of visiting restrictions, we kept visiting open as long as we could. And despite the pandemic we continued to invest in and focus on models of care that support patient experience, for example by continuing to increase the numbers of women who have a consistent midwife throughout their pregnancy.

While the theme of the year was certainly 'Together', I am acutely aware that colleagues' individual experiences will be unique and that *Covid-19* has laid bare and exacerbated existing health inequalities. It also created new types of exclusion. Some colleagues who were shielding and unable to be physically present reported how this created a sense of 'other' at times. We responded to this in different ways throughout the year and I was pleased to see how teams and managers worked together to carry out risk assessments, with many now being supported back to work.

With some colleagues redeployed, others shielding, some colleagues in similar roles yet experiencing more grief and death than they could have expected in their careers – it was a year that touched us all, at work and at home.

I want to thank all of our teams, and our local community, for being a part of our year. It was a year of loss but also a year of kindness. It is that spirit of kindness, of together, of compassion and of achievement that we carry with us as we look ahead.

Louise Stead
Chief Executive Office
Date 9th June 2021

Overview of Performance

The Trust, its purpose and activities

The Royal Surrey NHS Foundation Trust (Royal Surrey or the Trust) is a public benefit corporation authorised, since December 2009, under the National Health Service Act 2006. It is an award-winning, multi-site healthcare provider operating from a main acute site in Guildford and across many community and primary care sites in Surrey.

The Trust serves a population of around half a million people across south west Surrey with core hospital services and also runs the adult community services of the Guildford and Waverley Clinical Commissioning Group. The Trust provides specialist services in certain disciplines to a much larger population of up to three million, as part of the Surrey and Sussex Cancer Alliance.

Royal Surrey is a core partner in the Surrey Heartlands Health and Care Partnership Integrated Care System which, from 1st April 2020 included Guildford and Waverley Clinical Commissioning Group. Essentially these organisations have a clear remit to strengthen out of hospital services, improve access to the right urgent care services, align and join up care across Surrey and Guildford and Waverley thereby reducing inappropriate admissions to hospital.

The Trust provides adult community services in partnership with Procare, the local GP Federation, and acute services for a large population.

As a tertiary cancer centre, the Trust provides several services which are commissioned by NHS Specialised Commissioning including radiotherapy and robotic surgery. Royal Surrey is a hub for a network of services with neighbouring hospitals. The Trust is investing through the Cancer Alliance in mechanisms to enable joint working, for example, by providing better digital connectivity across all the Trust sites.

The Trust is one of seven participants in NHSE Vital Signs, a quality improvement programme, which focuses on continuous process improvement as a route to improved quality of services for patients and experience of work for staff. Quality Improvement methodology is becoming part of the DNA of the Trust with staff being supported to acquire the tools and culture to make changes which will benefit patients.

Highlights from the year

Despite the challenging times, the Trust continued to make progress in a number of areas which are highlighted below.

New maternity hubs

Maternity launched three new maternity hubs in Cranleigh, Farnham and Buryfields, giving local mothers improved and fully integrated maternity care. The Trust led the way in implementing a 'continuity of care' approach to maternity services that improves health outcomes by providing a patient with a small group of the same midwives and clinicians that they get to know and trust, achieving our True North objective of zero harm and improving the health and wellbeing of both mother and child.

Drive –through services

In response to the *Covid-19* pandemic, the Trust launched drive-thru services to ensure that patients could still access the care they needed during a time when our hospital services were limited due to lockdown. The drive-thru services have continued post-lockdown, providing speedy socially-distanced care and appointments for patients.

Surrey Safe Care

Royal Surrey and Ashford and St Peter's Hospitals joined forces to implement an innovative new

electronic patient record, Surrey Safe Care. The shared system will have many benefits, including allowing healthcare professionals from both organisations to gain immediate access to information about patients' care and treatments irrespective of where it was received, resulting in a more coordinated approach to effective and consistent care.

Insomnia treatment

The Trust's dedicated Insomnia Team launched a 'one of a kind' video treatment programme to continue much-needed support for insomnia sufferers throughout the *Covid-19* pandemic. The team commissioned a set of five videos to make up a comprehensive 'virtual' treatment plan to ensure continued patient care during lockdown, helping us to achieve our True North objectives of delivering all constitutional targets and achieving zero harm.

Emergency department

The Emergency Department completed the building of the expanded waiting room. This has allowed patients to wait inside and in comfort, while adhering to social distancing and *Covid-19* restrictions.

Maternity diabetes care

The Trust launched a new mobile app that has revolutionised the way care is given to diabetic pregnant women. This allows women to track their blood sugar levels from home using a monitoring device that synchronizes to their mobile app. This then sends the data in real time to our Maternity Team, who can track and prioritise patients who may need intervention.

Health Services Journal (HSJ) Award

The Alcohol Liaison Team at the Trust won the Health Service Journal's (HSJ) Patient Safety Changing Culture Award 2020. This was for their work improving care across the Trust for patients with alcohol problems by providing screening, specialist support and staff education. The team has led the way in helping other Trusts set up similar services across the region.

NHS Parliamentary Award

The Hepatitis Outreach Team were awarded a regional NHS Parliamentary Award for their work tackling health inequalities among the homeless. When the Outreach Team found out that people from the local homeless community had been housed because of the pandemic, it acted fast, setting up pop-up clinics to screen and treat rough sleepers at risk of hepatitis C and liver damage.

Robots revolutionise cancer surgery

The Trust was the first in the UK to acquire four state-of-the-art robots used to carry out cancer surgeries. The robots, which are predominantly used for prostate, bladder and gynae-oncology procedures, enable surgeons who specialise in different cancers to start undertaking robotic procedures. Benefits for patients can include reduced trauma to the operating site thanks to the miniature instruments of the robots, fewer complications, less blood loss and faster recovery times.

Think NHS 111

The Trust's Emergency Department launched Think NHS 111, encouraging patients to call 111 as their first port of call, every time, except in the case of serious illness or life threatening emergencies. Calls are triaged and patients are now signposted to the most appropriate pathway, including booked appointments in our Emergency Department. This has enhanced patient experience and quality of care, as well as improving safety by reducing overcrowding risks in our Emergency Department during the pandemic.

Overview of Performance

Trust achievements throughout the year

April 2020

Hepatitis Outreach Team set up pop-up clinics to help the homeless

In addition to achieving an NHS Parliamentary Award, the team won both a Health Service Journal and a Nursing Times award for this work.

May 2020

Project Wingman to the rescue

British Airways, Virgin and EasyJet cabin crew, who were grounded during the pandemic, set up a first-class relaxation lounge for hardworking staff at Royal Surrey.

The welcoming space and volunteers provided a place where staff could visit to relax and unwind before and after their shifts.

June 2020

Outstanding report from Care Quality Commission

A report published in June by the Care Quality Commission recognised Royal Surrey as offering 'outstanding' healthcare across a number of its services.

The report praised the Trust's 'innovative approach' to providing healthcare and medical care and leaders were described as having an 'inspiring shared purpose'.

July 2020

Royal Surrey opened 20-bed isolation ward

July saw a major breakthrough in the fight against *Covid-19* as Royal Surrey opened its dedicated 20-bed isolation ward. The Guildford Borough Council Ward has to be the speediest build in Royal Surrey's history.

The hospital also helped celebrate 72 years of the NHS being in existence by hosting an emotional 'clap for carers' event.

August 2020

Royal Surrey triple whammy

Royal Surrey Hospital celebrated three brilliant achievements.

It treated its first patient in the new Ethos radiotherapy machine, which has calming ceiling projections of tree top canopies, starry night time skies and blossom trees to help reduce patients' fears when receiving treatment. The Trust is one of only two in the country with this equipment.

A newly refurbished Histopathology Lab was unveiled, bringing it in line with the very best the UK has to offer.

The Pharmacy Department launched a robot to dispense medicines, allowing a faster and more efficient dispensing service.

September 2020

Registrar wins 'Trainee of the Year' award

Raj Lahiri, Hepatic-Pancreato-Biliary (HPB) Registrar at Royal Surrey, was awarded the Kent, Surrey and Sussex Deanery 'Trainee of the Year Award' for his brilliant work during the first wave of the *Covid-19* pandemic.

Raj devised and delivered a rota of doctors to provide care for both emergency and cancer patients across multiple sites, while remaining in bubbles.

October 2020

'Life-saving' ultrasound device delivered

The Stokes Centre for Urology at Royal Surrey, which treats bladder and prostate cancer patients, received a £100,000 diagnostic imaging device, thanks to fundraising work by The Prostate Project.

The ultrasound machine fuses images from an MRI scan with a live ultrasound image to help doctors spot prostate cancer more easily.

Novel Smartphone Solution Award

The Royal Surrey NHS Foundation Trust won the award for its use of a novel smartphone solution from Imprivata, Ascom and Attend Anywhere for remote ward rounds in the 24-bed ICU where at the early peak of the pandemic there were up to 18 coronavirus patients on ventilators at any one time.

Over 40 intensive care clinicians at the Royal Surrey hospital have been using the robust Ascom smartphones.

The phones meet strict NHS hygiene guidelines and are enabled with single sign-on from Imprivata and two-way video consultation technology from Attend Anywhere – enabling just one doctor to do ward rounds while linked remotely to colleagues. The mobile technology is also helping relatives to safely stay in touch with loved ones in hospital.

This award recognises what can be achieved with great teamwork and the benefits that technology can bring both to patients and clinicians during what are extremely challenging times.

The *Covid-19* outbreak hugely accelerated our adoption of the Imprivata and Attend Anywhere solution, which we had been using successfully at the point of care in the outpatient clinics. In response to the requirement from ICU, and with close collaboration across the three companies, we were able to rapidly deploy, test and use the secure smartphones in the ICU department, helping to support the Trust's outstanding efforts in the fight against the coronavirus outbreak.

November 2020

Local sewing groups make 600 scrubs for Royal Surrey

Local sewing groups got busy during the pandemic and made over 600 Noah rainbow patterned scrubs for Royal Surrey staff.

The beautiful, colourful scrubs were worn by staff working on *Covid-19* wards

Overview of Performance

December 2020

Proud moment - becoming a Covid-19 vaccine hub

Royal Surrey Hospital rapid sets up one of the country's first *Covid-19* vaccination hubs. Vaccine rollout began with care home staff, front-line staff and vulnerable elderly patients.

January 2021

Launch of radiotherapy treatment using revolutionary artificial intelligence software

The radiotherapy department launched its online adaptive radiotherapy treatment, which uses artificial intelligence to target tumours with extreme precision and reducing doses to surrounding organs, thereby decreasing radiation side effects.

February 2021

Partnership working with the British Army and the Royal Navy

At the peak of the second wave the Trust commenced partnership working with the British Army and the Royal Navy, with three cohorts of military personnel joining our wards and Emergency department teams to support patient care and services.

Survey launched to get views on plans for Royal Surrey's new car park

A feedback survey was launched to encourage local residents to give views on new car park proposals.

The plan is for a new 600-space multi-storey car park to be built for hospital staff, which will relieve pressure on spaces in the main patient car park for the hospital.

Flu vaccination success

By February 90.5% of staff had received their flu vaccination.

March 2021

Launch of refurbished Special Care Baby Unit and second obstetric theatre

The launch celebrated a £4 million makeover, which means Royal Surrey is now one of the first hospitals in the country to have the facilities to allow parents of premature or poorly babies to stay by their baby's side until they're ready to leave hospital. We also celebrated the addition of a second dedicated obstetric theatre.

Infection Control Lead Nurse awarded national silver award by Chief Nursing Officer of England

Gill Hickman, Infection Control Lead Nurse was awarded the silver award for her dedication, commitment and infection control leadership during the pandemic.

The Royals Surrey's strategy

The Trust is proud to be a clinically led organisation, providing tertiary cancer care, networked District General Hospital services and integrated care by

bridging the gap between hospital and community services.

Figure 1 **Royal Surrey's mission, vision and values**

Our compassionate, caring and friendly colleagues make up the Royal Surrey family and are at the heart of what we, as an organisation, do. We all have a passion for learning, continuous improvement and excelling together through innovation, research, development and creativity.

The Trust's five-year strategic goals

Strategic goals define the general aspirations of an organisation over a period. For Royal Surrey, these were devised in 2017 and are the financial and non-financial results that are aimed for achievement over five years. These are important because they define organisational priorities, help allocate resources effectively and ensure that there are plans in place for robust financial management

Overview of Performance

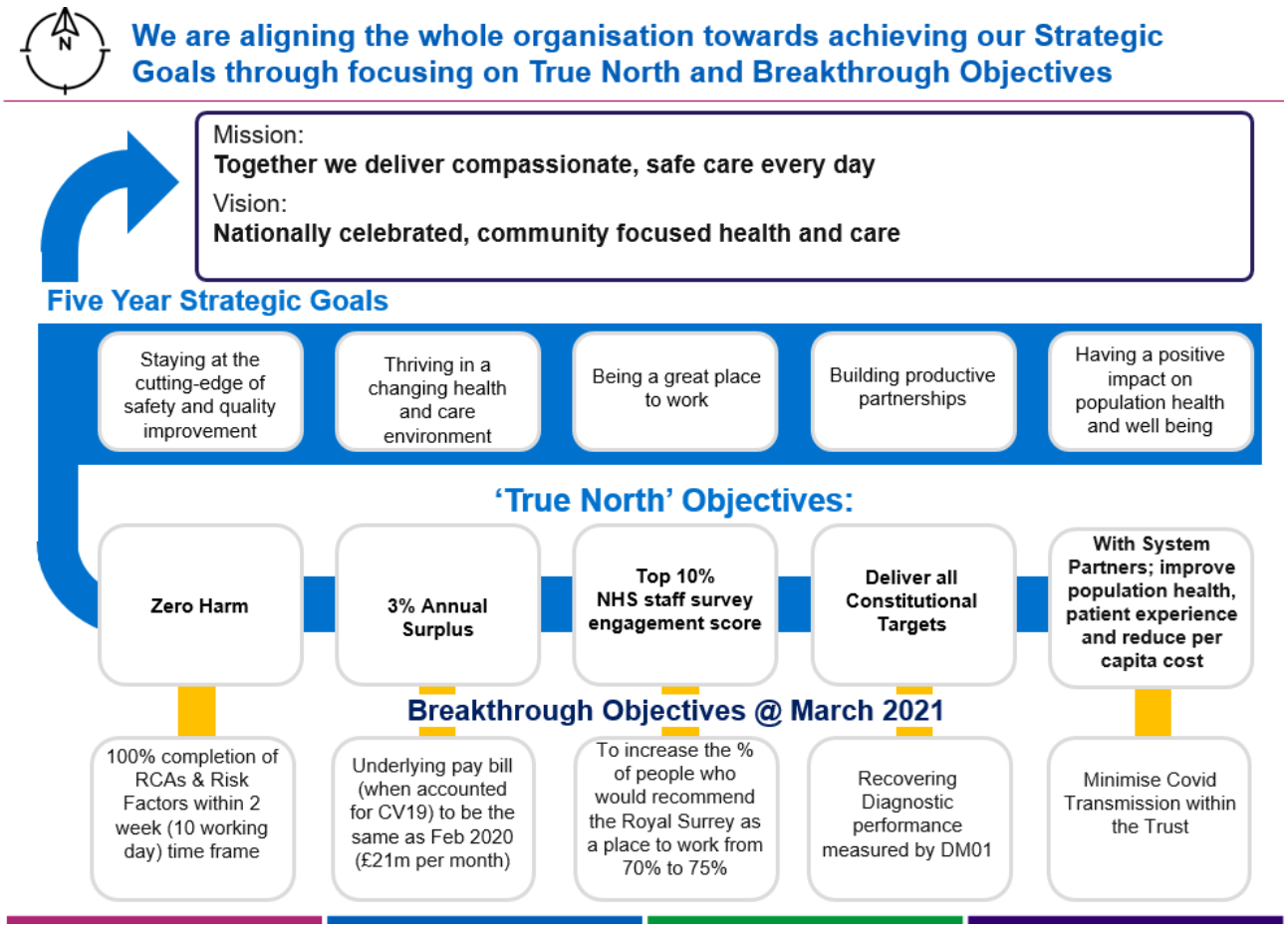


Figure 2 **Five-year strategic goals**

True North Objectives

The Trust is fully committed to utilising continuous improvement methods to set its strategy. Quality improvement is at the heart of everything we do and is the vehicle used to reach the Trust's destination – our True North.

The True North objectives describe an ideal state that the Trust should always be striving towards; this is the second full year of using them as an approach to setting the Trust strategy. True North sets a clear aspiration for the ambition of the organisation and, even though it may never be achieved, it is something all can agree is worth striving towards. Our True North objectives have stood up to the extraordinary year we have had as the impact of *Covid-19* turned everyone's lives upside-down. We have always been able to track our response to the challenges we faced through reference back to the True North objectives and the standards they set as we deliver care.

Breakthrough objectives

Breakthrough objectives provide a flexible approach to adapt the operational reality of the Trust to its strategic direction. This has been particularly relevant this past year where *Covid-19* has impacted on every aspect of the organisation.

Many of the breakthrough objectives set in March 2021 have been adjusted to reflect the ongoing impact of *Covid-19*. Focusing on diagnostic recovery actions to minimise *Covid-19* transmission within the

Trust, and a focus on improving the completion of Root Cause Analyses (RCAs), all positively impact on the Trust's response to the pandemic whilst maintaining a clear link to the True North.

Covid-19, National Policy changes and our Strategy Refresh

There are two major external factors which have impacted the Trust's strategy and its implementation this past year. The first is *Covid-19*, and the second is a far greater emphasis on network and system working which national policy has indicated will be bolstered with legislative changes to the way the NHS operates.

The effects of *Covid-19* on our Trust have been profound and will continue to affect us at every level for many years to come. At the very highest, macro-economic level, it is likely that the UK (and the rest of the world) will enter an economic recession. This will not only limit funding for us and our services but there is substantial evidence that population health is poorer during difficult economic times – alcohol and drug consumption rises, exercise levels reduce and mental health (as people worry about their financial security or lose their jobs) deteriorates.

At an operational level, the impact of *Covid-19* cannot be overstated. During the year we have at times had a third of beds filled with *Covid-19* patients. Wards that might usually be filled with frail elderly patients or those recovering from major surgery have instead had their beds filled with *Covid-19* patients. To prevent more people getting infected, we have closed some of our beds and have had to reduce the level of non-urgent surgery. This has created (nationally) a larger list of patients waiting over a year for their operation than at any time since we became a Foundation Trust. Our Intensive Treatment Unit (ITU) has regularly received patients from other hospitals as far away as Kent in an effort to support places in greater distress.

Some of the changes we have put in place have been beneficial and clearly we will keep those that are better for patients and staff. The most obvious example of this is our new Guildford ward which is specifically designed to take patients with an infectious disease. We have also made less visible but equally important changes. For example, to keep people as safe as possible we have dramatically increased the number of phone or digital consultations we offer patients.

As all staff in the Trust focussed on the operational response to *Covid-19*, our ability to progress other strategic projects has been reduced and as we come out of *Covid-19* our attention will turn to recovering our services.

The other major external influences to our strategy are the national policy changes which will change the decisions the Trust can make independently and those which will require further agreement by our system – the Surrey Heartlands Integrated Care system.

These two major influences have initiated the development of a strategy refresh document. The aim of the refresh paper is to set out the Trust's response to these two changes, whilst holding true to our existing strategy. By being clear about who we are as an organisation and what we want to achieve, the Royal Surrey has the opportunity to be thought leaders in the development of the Surrey Heartlands system and associated networks. This paper is due to be published in autumn 2021.

Implementing the Trust's strategy

- All of the Trust's operations have been impacted by *Covid-19*. The operational priority over the previous year has been managing the pandemic, subsequently impacting the pace of strategic implementation. Many of the breakthrough objectives have been adjusted to take account of this change of focus and to align True North goals with operational pressures. However, progress against breakthrough objectives continues to be monitored weekly and forms a core part of the divisional performance management process.
- As part of the annual business planning cycle, each division and corporate area sets out their 5 corporate objectives and associated milestones. These objectives represent the annual priorities of our

Overview of Performance

divisions in advancing the Trust strategy and each directly links to a True North objective. Divisions and corporate areas are held to account monthly and progress against milestones are reported to Board quarterly.

- Working as a system will continue to impact on how the Trust's strategy is developed and implemented. One such example has been the Transformation team. Previously the team had been focused on Trust-based programmes of work, however with the move to system working, the team's reach was widened to become an Integrated Care Provider (ICP) Transformation team. This team leads complex and multi-system change programmes across the Guildford and Waverly ICP and ensures these programmes are effectively governed and delivered across the wider geographical footprint.

Equality of Service Delivery to different groups

As part of Surrey Heartlands Integrated Care system (ICS), we are committed to prioritising the tackling of inequalities using data to provide shared insights and drive action. We have partnered with one of the NHS Innovation Accelerator start-up organisations to utilise Artificial Intelligence to enhance our insights into patient experience.

The Patient Experience Platform offers a fundamental change in how patient experience data can be harnessed to derive insights, which in turn can enable trusts to listen to a more diverse group of voices and lead to timely improvements in the quality of care provided.

The platform comprehensively and cost effectively collates and categorises patient experience insights from over 10 million comments each year, including traditional sources like the Friends and Family Test as well as digital sources such as publicly available social media posts and online forums, providing a more complete picture of patients' views on the health services they encounter in real-time.

Future priorities

Integrated clinical care

In conjunction with Ashford St Peter's Hospital NHS Foundation Trust, Royal Surrey will go live with a clinical and digital transformational programme, Surrey Safe Care, in October 2021. This has been developed with the clinical teams and is designed to support clinical excellence and deliver the safest care and best experience possible for patients.

Surgery Transformation and Theatre Development Programme

In order to support the Trust's status as a tertiary cancer centre, a major programme of work will commence in 2021 to design a new theatre complex and associated transformation priorities. This will incorporate a state of the art environment for patients undergoing surgery and ensure pathways of care are as effective as possible.

Diagnostics Programme

Following the review by Sir Michael Richards, the NHS has begun a programme to respond to the increasing demand for imaging services in the coming years. The Trust is a key stakeholder in this and is involved in a series of projects to develop the imaging services provided at both the Guildford acute site and community locations.

The 2019 NHS Long Term Plan committed the NHS to have established imaging networks across England by 2023. The networks are seen as a way of delivering economies of scale, reducing competition between organisations and acting as a collaborative system. The Trust is working collaboratively with system partners to understand what this network model could look like and ensure patients continue to be at the centre of service change.

St Luke's Cancer Centre

Oncology care is primarily delivered at the St Luke's Cancer Centre on the Trust site in Guildford. The Trust will invest in a significant programme of work that will enhance the existing estate and deliver an improved patient environment and additional space for clinicians.

We are also exploring the use of cutting-edge new diagnostics and treatments as we seek to maintain our status as a nationally-celebrated cancer centre. This will include developing selective internal radiation therapy (SIRT) and the use of radionuclide therapies.

Guildford and Waverley Alliance Transformation

The Royal Surrey, specifically through our transformation team, will work with system partners to support delivery of the Guildford and Waverly Alliance objectives for 2021/22. Specific focus will be directed at advanced care planning, dementia diagnosis support, urgent care services and cancer diagnosis and screening. Workforce and financial assurance underpin these programmes of work and the Royal Surrey will support the planning and implementation of improvements in these areas across the Alliance.

Environmental impact

Climate change is viewed now as one of the most serious threats to the continued health and wellbeing of millions of people worldwide. The worst aspects of climate change will have the greatest impact on those in society who are most vulnerable and least able to cope. It is vital that action is taken at all levels

Overview of Performance

to reduce carbon emissions, and apply the broader principles of sustainable development.

Royal Surrey is committed to this goal and has a wide range of measures in place to increase its sustainability and play its part in tackling climate change in this rapidly changing world.

The Trust has a Green Plan in place and ensures that it complies with the obligations under the Climate Change Act and the Adaptation Reporting requirements.

The Trust's Green Plan

- The Trust's Green Plan for 2020 to 2024 (formerly known as Sustainable Development Plan) was formally approved in February 2020 by the Quality Committee and the Trust is in the process of implementing the action plan.
- A Sustainability Steering Group monitors the implementation of the action plan taking measurements to establish the baseline carbon footprint and this will be used for future benchmarking and reporting back to the NHS Sustainable Development Unit.
- The Green Plan outlines projects and activities which will evidence continual improvement in sustainability performance in the Trust, covering areas such as:
- Staff awareness and engagement
- Projects reducing the carbon emissions associated with service delivery and operating the estate
- Reducing operational resource use and cost, for example water, energy, waste, fuel and materials
- Replacing existing assets with more energy efficient alternatives
- Reducing non-patient related business travel
- Linking in with the Trust's Health and Wellbeing agenda, active, sustainable travel activities and initiatives will be promoted including cycling and walking
- The estates function plans to deliver space utilisation and consolidation to deliver best value
- A comprehensive recycling plan is in development.

Sustainability champions

The Trust's Sustainability Champion is supported by a team, currently numbering circa 100 staff who have volunteered to lead sustainability initiatives in their work areas. The primary focus of this activity initially has been recycling with 38 tonnes of waste per year recycled through the dry mixed recycling scheme compared to 27 tonnes the previous year.

Estates strategy

The Estates Strategy was updated in 2020 and indicated the need for further expansion of the site; increasing the overall consumption in all areas of utilities and the financial impact these will bring. Plans are in place to mitigate this with use of remote technology and clinics in the community.

Major projects

Major projects completed over the past year include the new Guildford Isolation Ward (*Covid-19*), Maternity Theatres, new clinical laboratories and an extension to the ED waiting room

Current developments being worked on include the construction of a new multi storey car park and cancer centre and as previously described. Through the Accommodation Strategy plans have been made to relocate back office/ non-clinical functions to new areas and release space for clinical use in the main hospital.

Plant and equipment

Replacement of large plant equipment such as the original 1980's site boilers started in early 2018 and is continuing under the backlog maintenance programme with three boilers replaced to date. These are modern, highly efficient boilers that will allow energy savings during the heating and cooling seasons.

Major chilling units have also been replaced at various locations around the Trust and this process continues.

Lighting is being changed over to LED lighting in most areas on a rolling programme.

Energy and waste

The Trust carefully monitors its energy consumption with measures in place to encourage staff to be as efficient as possible. Royal Surrey energy contracts are negotiated on behalf of the Trust by the Crown Commercial Service who are able to determine the best price.

Area	Volume Consumed				Finance (£)			
	2017 – 2018	2018 – 2019	2019 - 2020	2020-2021	2017 – 2018	2018 – 2019	2019 - 2020	2020-2021
Waste Minimisation and Management								
	1,045.62 tonnes	1,056.98 tonnes	1114.11 tonnes	1139.34 tonnes	383,820	354,779	386, 494	393,599
Finite Resources								
Water	210,984 M3	208,764 M3	139,181 M3	162,565 M3	383,820	368,404	243,533	361,019
Electric	14,067,152 kwh	13, 674,963 kwh	13,856,309 kwh	13,860,263 kwh	1,539,711	1,645,439	1,930,651	1,729,171
Gas	22,215,517 kwh	20,470,259 kwh	20,439,809 kwh	22,328,165 kwh	515,881	519,007	553,019	551,150

Figure 3 **Waste and Utility Consumption**

The Trust has undertaken its annual waste audits as required. These include the pre-acceptance audit and duty of care audits at the Trust's waste contractors.

Any issues highlighted in the pre-acceptance audit process have been actioned. More environmentally friendly waste streams such as dry mixed recycling and offensive waste have been introduced. These changes have been completed in partnership with the Trust's hard and soft facilities management providers and the Trust's sustainability champions. Over the past year the Trust has had to deal with a considerable increase in *Covid-19* related waste which has posed problems both locally and nationally.

Overview of Performance

Travel

The Trust is a large employer and, as the Trust develops, staff numbers are expanding. As such we are aware that staff travel has a big impact upon carbon footprint. Consequently, the Trust has a Travel Plan which sets targets which are monitored annually. The plan aims to reduce travel overall by promoting use of remote meeting technology and reducing single occupancy car use by staff over the course of the current Travel Plan 2021 - 2026. It provides incentives for staff to use alternative modes of transport.

The Travel Plan has recently been updated and submitted to Guildford Borough Council for approval as part of a recent planning application.

Carbon footprint

The UK carbon reduction commitment energy efficiency scheme is a legal requirement for qualifying UK businesses whereby a carbon tax is levied for each ton of carbon dioxide emitted. This commitment ended in April 2019 and therefore, the Trust is no longer required to report on this issue.

An established baseline carbon footprint has not yet been established as this work has been delayed due to the onset of the pandemic. A consultant has been engaged to commence this work, however this work has been delayed by the second wave and there is no updated data at this stage. It is anticipated that over the coming year the Trust will start implementing all areas of its Green Plan with a particular emphasis on waste and recycling across the Trust.


NHS
Royal Surrey
NHS Foundation Trust
Thank you
to all our local community
WORLD CLASS CARE
FOR OUR COMMUNITY

Performance analysis

Performance overview

The Board is a unitary Board, collectively responsible for the performance of the NHS Foundation Trust; and it discharges this responsibility in several ways.

Firstly, the Board of Directors approved the Trust's strategic aims in the 2020 -2021 financial year, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its priorities and objectives and, then, periodically reviewing progress and management performance.

The Board's role in monitoring the performance of the organisation is supported by an accountability infrastructure which starts with the Council of Governors at the highest level, whilst enabling visibility by the public, staff and external stakeholders through meetings in public.

NHS Foundation Trust governors are responsible, as a Council, for holding the non-executive directors, individually and collectively, responsible for the performance of this unitary Board. In turn, Foundation Trust governors are accountable to the members who elect them; and must represent their interests and those of the public.

The Royal Surrey Council of Governors ensures the Board of Directors acts appropriately to avoid any breach of the conditions of the Trust's provider licence. In 2020 - 2021 the Council of Governors received reports from non-executives and the Chair at each of its quarterly council meetings that allow it to monitor how the Board is directing and overseeing delivery of performance.

It remains the responsibility of the Board of Directors to design and then implement agreed priorities, objectives and the overall strategy of the Trust.

To this end, the Royal Surrey Board has developed, in consultation with staff at all levels in the organisation, a set of key performance indicators. These cover quality and safety measures as well as those key performance indicators outlined in NHS Improvement's Single Oversight Framework.

Performance reporting

The Trust Board receives the Performance Report monthly as a scorecard with exception reporting, and explanatory narrative. This analysis and insight is provided for the previous month, and more importantly highlighting trends over time using statistical process control charts. This allows the Board to see which processes are well controlled and to predict likely future performance by reviewing trend information. The Board also refers to model hospital data for benchmarking. These reports are linked explicitly to the Trust's strategic objectives, national priority indicators, NHS Improvement governance ratings, Commissioning for Quality and Innovation and local priorities.

The Board scorecard is aligned to the five Care Quality Commission domains: safe, effective, caring, responsive and well led, and is publicly accessible on the Trust website.

The Board is supported by the Quality Committee in monitoring performance against Quality and workforce indicators, whilst the Finance and Transformation Committee reviews financial performance and continuous improvement and transformational initiatives. The Performance Partnerships and Population Health Committee monitors the performance of the Trust against constitutional targets and also the performance of strategic partnerships.

The executive directors review the performance of the Trust monthly via the Quality & Performance Executive Committee.

Performance risk assurance

Key to the effectiveness of risk management in the organisation is the Quality & Performance Executive Committee whose membership recognises the importance and high profile of risk management in the organisation and ensures senior ownership of the identification and management of risks. The risk register is reviewed at each Quality & Performance Executive Committee.

Each area of service in the Trust is required regularly to update their risk registers to ensure performance issues are identified and addressed, with corresponding actions and mitigations monitored in a timely manner.

Performance against key targets 2020-2021

In mid-March 2020, the *Covid-19* global pandemic began to significantly impact the Trust. Activity across all modalities dropped and significant elements of clinical practice were suspended in light of the clinical risks and a national lockdown programme.

The impact of the pandemic dominated 2020/21, with the first wave lasting from March 2020 and *Covid-19* patients continuing to be admitted through until June. A period of intense diagnostic and elective recovery followed through the last summer and the autumn. In October 2020, Wave 2 began to impact the Trust again, with *Covid-19* inpatients peaking in mid-January 2021 at twice the number seen at the peak of Wave 1. Non-urgent elective surgery was stopped just before Christmas 2020, with most diagnostic modalities continuing to be delivered to some extent. Planning for the recommencement of non-urgent surgery and the Wave 2 recovery began in early March 2021.

The pandemic created varied challenges for the delivery of performance standards across referrals to treatment, cancer and the four-hour Emergency Department target. The Trusts four-hour performance has improved from previous years as attendances dropped, with the Trust benchmarking in the national upper quartile from September – December 2020, improving again nationally to upper decile performance in January and February 2021.

Cancer performance has shown high levels of variation driven by the timing of tertiary referrals into the Trust, with significant numbers of long waiting patients being referred in following Wave 1. Referral to treatment performance further declined as all improvement actions stopped as the pandemic hit. As the year progressed, the focus shifted nationally to prioritising the validation of clinical cases and the numbers of over 52 week waiting patients.

Referral to Treatment

Referral to Treatment performance has been hugely impacted by the pandemic, with non-urgent surgery stopping for a number of months during the first and second waves.

National focus has shifted from monitoring the delivery of the Referral to Treatment performance standard to managing patient safety. This has included every patient on the waiting list for inpatient care being clinically categorised with a 'priority code' (P Code) and a focus on long waiting patients, i.e. those waiting over 52 weeks for treatment. The Trust has seen over 52 week patient numbers increase from 2 patients waiting over 52 weeks in February 2020 to nearly 700 patients in March 2021.

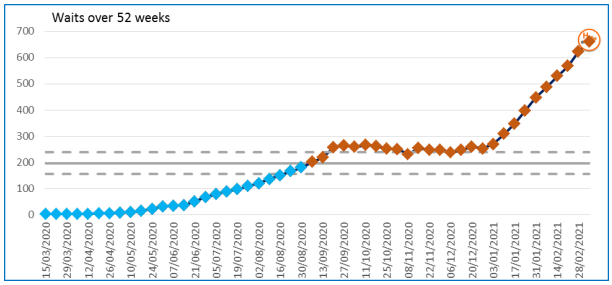


Figure 4 **52 week wait**

The elective waiting list improved during the recovery phase after Wave 1, with the backlog of patients waiting over 18 weeks for treatment dropping below pre-pandemic levels by September 2020. (Figure 4)

Performance analysis

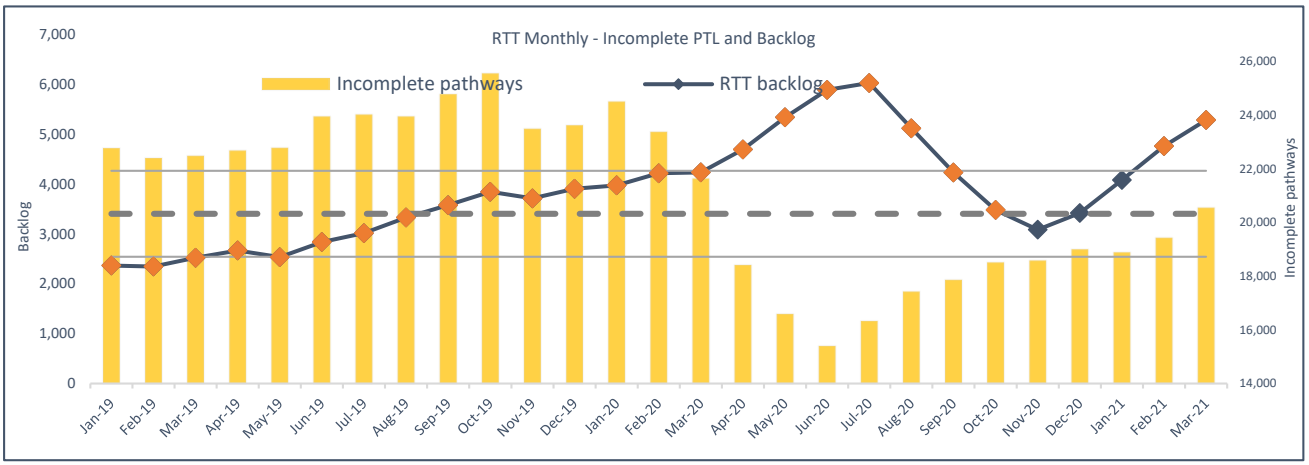


Figure 5 **RTT Monthly – Incomplete PTL and Backlog**

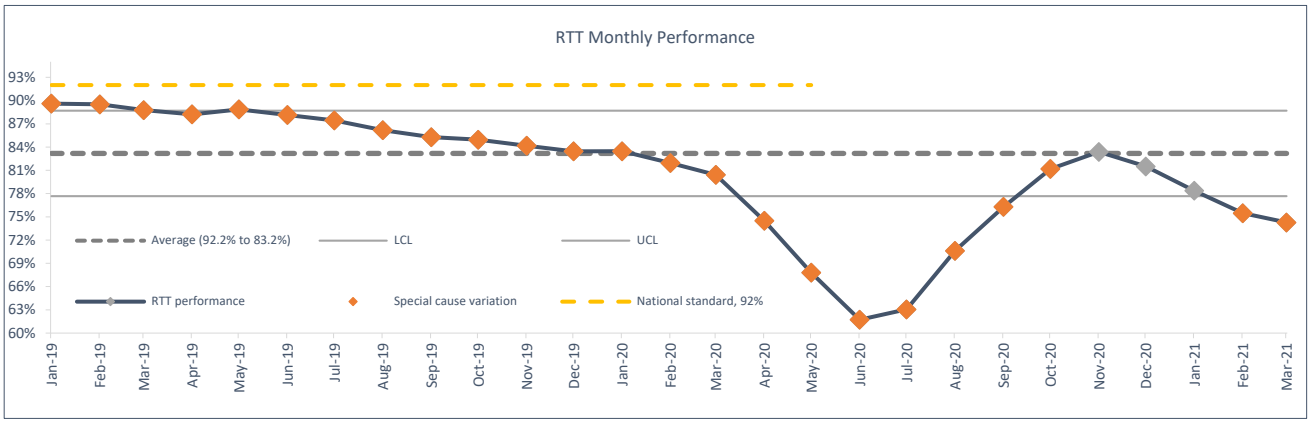


Figure 6 **Referral to Treatment Performance**

Wave 2 Recovery plans are being developed through March 2021 and, whilst recovery is not expected to happen quickly, the intention is to begin reducing the long waiting patient numbers through Q1.

Emergency department

Performance against the emergency department four-hour national standard improved from 79.7% in February 2020 to 93% in March 2021, against a backdrop of reduced attendances during 2020/21.

Key Performance Measures	2016 – 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020-2021
Emergency Attendances - All Types, Both Sites	70,509	70,958	81,964	81,715	63,497
Of which, Main Site Attendances	70,509	70,958	74,945	74,491	57,460
Of which, Minor Injuries Attendances			7,019	7,224	6,037
4 Hour Performance	87.78%	95.01%	89.74%	85.06%	90.91%
Of which, Main Site Type 1 Attendances	87.90%	94.91%	88.85%	83.76%	90.00%
Of which, Minor Injuries Attendances			99.06%	99.41%	99.57%

Figure 7 **Emergency department key performance indicators**

Ambulance handover times are important metrics for the Emergency Department and the department has shown strong and consistent delivery of the improvement in the percentage of patients waiting between 30 and 60 minutes to be handed over.

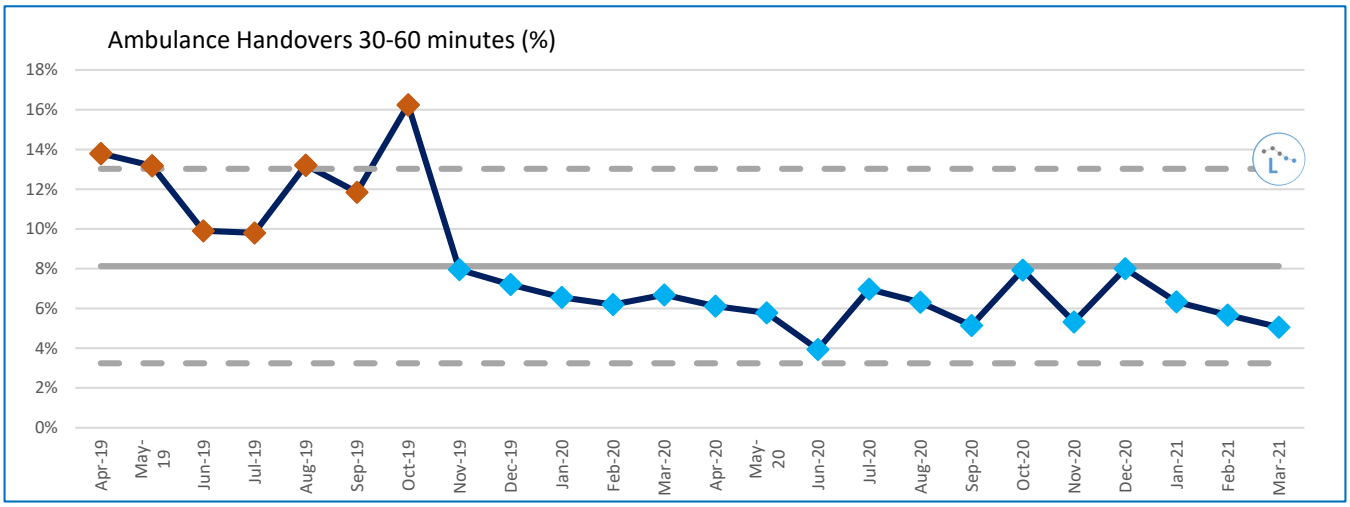


Figure 8 **Ambulance Handovers 30-60 minutes (%)**

This improvement represents the success of the Emergency Department in working in new ways to manage ambulance handovers and reduce patients' waiting time before entering the emergency department for assessment.

Cancer performance

Cancer performance had been strong in the last half of 19/20, following a comprehensive recovery programme in 2019. 62 day performance has shown high levels of variation during 2020/21 driven by the timing of tertiary referrals into the Trust, with significant numbers of long waiting patient being referred in following Wave 1. Patients have continued to access cancer treatment throughout the pandemic, although an overall reduction in referrals has been experienced, particularly during Wave 1 and to a lesser extent in Wave 2. A return to delivery of performance is anticipated from Q2 of 2021/22.

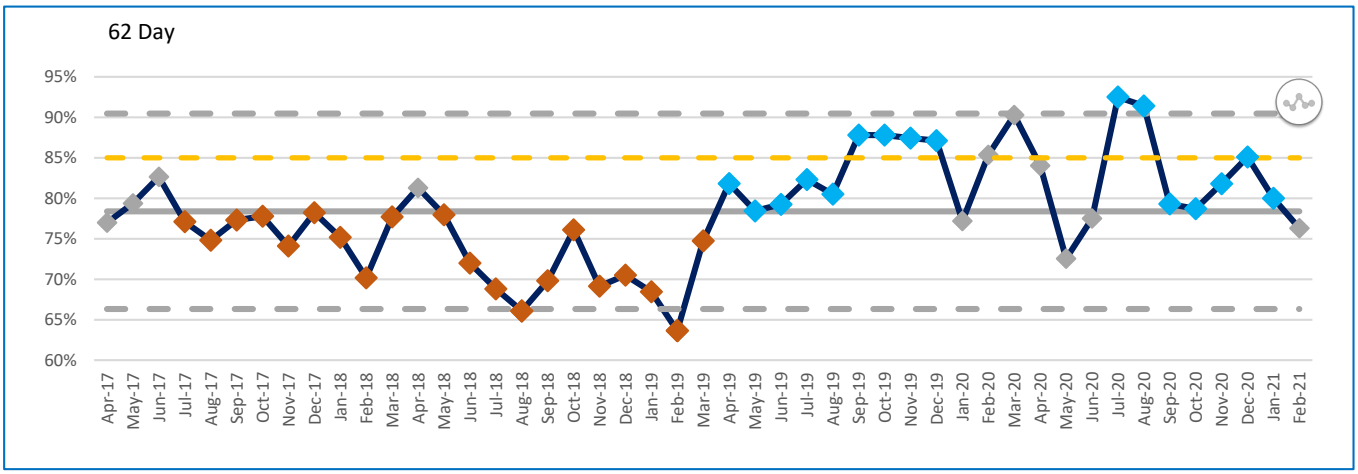


Figure 9 **62-Day compliance April 2017 to February 2021**

Performance analysis

	Target	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020-2021
% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	98.73%	98.31%	92.06%	91.90%	90.4%
% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP	93%	98.94%	95.27%	79.01%	85.83%	75.4%
% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	96.35%	97.48%	97.10%	97.83%	96.4%
% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	76.12%	76.85%	71.73%	83.91%	81.8%
% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	91.08%	90.34%	86.96%	74.45%	72.6%
% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	96.32%	96.71%	97.59%	95.64%	88.4%
% of cancer patients waiting a maximum of 31 days for sub- sequent treatment (anti-cancer drug)	98%	99.47%	99.49%	99.46%	99.71%	99.5%
% of cancer patients waiting a maximum of 31 days for subsequent treatment (RT)	94%	96.22%	95.31%	95.70%	96.08%	90.1%

Figure 10 **Cancer referrals key performance data**

The table which follows shows how the Trust is performing favourably in comparison to the national performance and surrounding cancer centres for 62 day performance.

	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Maidstone And Tunbridge Wells NHS Trust	85.7%	85.7%	87.0%	86.5%	85.2%	86.9%	85.3%	86.6%	86.2%	85.7%	86.9%	85.4%
Royal Surrey County Hospital NHS Foundation Trust	**84.0%**	**72.5%**	**77.5%**	**92.5%**	**90.6%**	**79.1%**	**78.7%**	**82.3%**	**85.1%**	**80.0%**	**76.3%**	**87.4%**
National Performance	**74.4%**	**70.0%**	**75.4%**	**78.6%**	**78.0%**	**74.3%**	**74.5%**	**75.5%**	**75.2%**	**71.2%**	**69.7%**	**73.9%**
Brighton And Sussex University Hospitals NHS Trust	73.8%	75.5%	80.3%	81.4%	77.0%	72.3%	75.1%	70.4%	68.6%	68.1%	57.9%	70.5%

Figure 11 **62 Day cancer comparison with national and surrounding cancer centres performance**

Note: Cancer benchmarking is two months in arrears

Diagnostics

Diagnostics waiting times dropped to 55% compliances in April 2020 as virtually all diagnostic activity stopped in Wave 1 of the pandemic. From May 2020, the teams undertook an ambitious recovery programme, which saw performance improve quickly, delivering 96% against a target of 99% in August 2020. Wave 2 of the pandemic has had much less of an impact, as Figure 13 below demonstrates.

	Target	2017 - 2018	2018 - 2019	2019 - 2020	2020-2021
Diagnostic Waits >6 weeks	1%	3.85%	1.11%	5.75%	11.0%

Figure 12 **Diagnostics annual comparison**

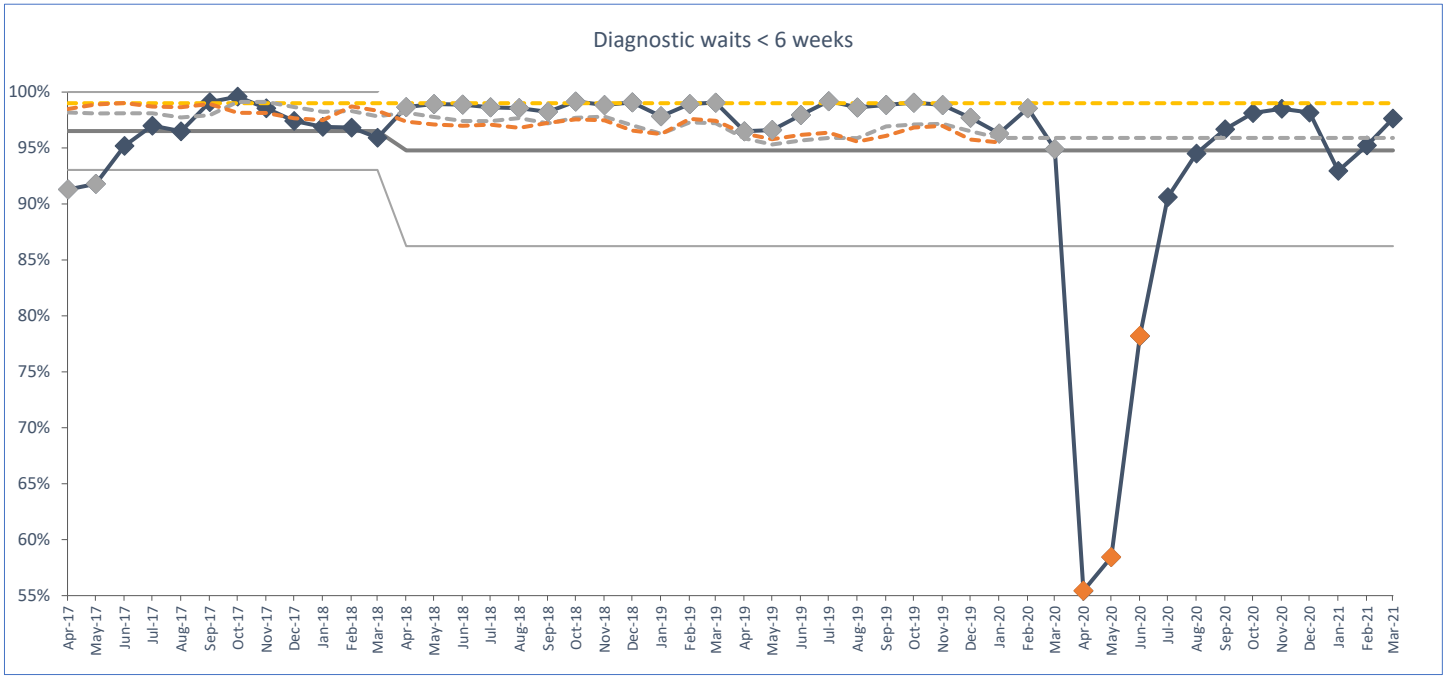


Figure 13 **Diagnostic waits < six weeks**

Human resources

Overall the Trust vacancy rate has decreased by 2.3% to 6.8% year to date which is the lowest level for many years. Nurse vacancies decreased to 6.7% with an additional 141 nurses employed over the last 12 months. This has been achieved through a significant increase in substantive recruitment as well as a decrease in staff turnover.

This is a significant achievement and puts the Trust in a strong position in terms of developing its workforce going forward and this is reflected in the lessening of reliance on expensive agency support.

The NHS labour market is facing unprecedented challenges due to the *Covid-19* pandemic. Prior to *Covid-19*, changes to the labour market were taking place as a result of various environmental factors including EU exit, technological advances, new ways of entering the workforce (via apprenticeships) and changing workplace cultures. We are working to ensure that the Trust is in the best place to respond to both the risks and opportunities so that we can continue to attract, retain, develop and grow our workforce.

Performance analysis

Staff turnover decreased during the last 12 months. This progress is now reflected in the Model Hospital data which records that the Trust has moved from Quartile 4 (worst performing) to Quartile 2.

In light of *Covid-19* the Trust is closely monitoring leavers' data and there has been a significant focus on supporting the health and wellbeing for staff to avoid an increase in turnover during this time.

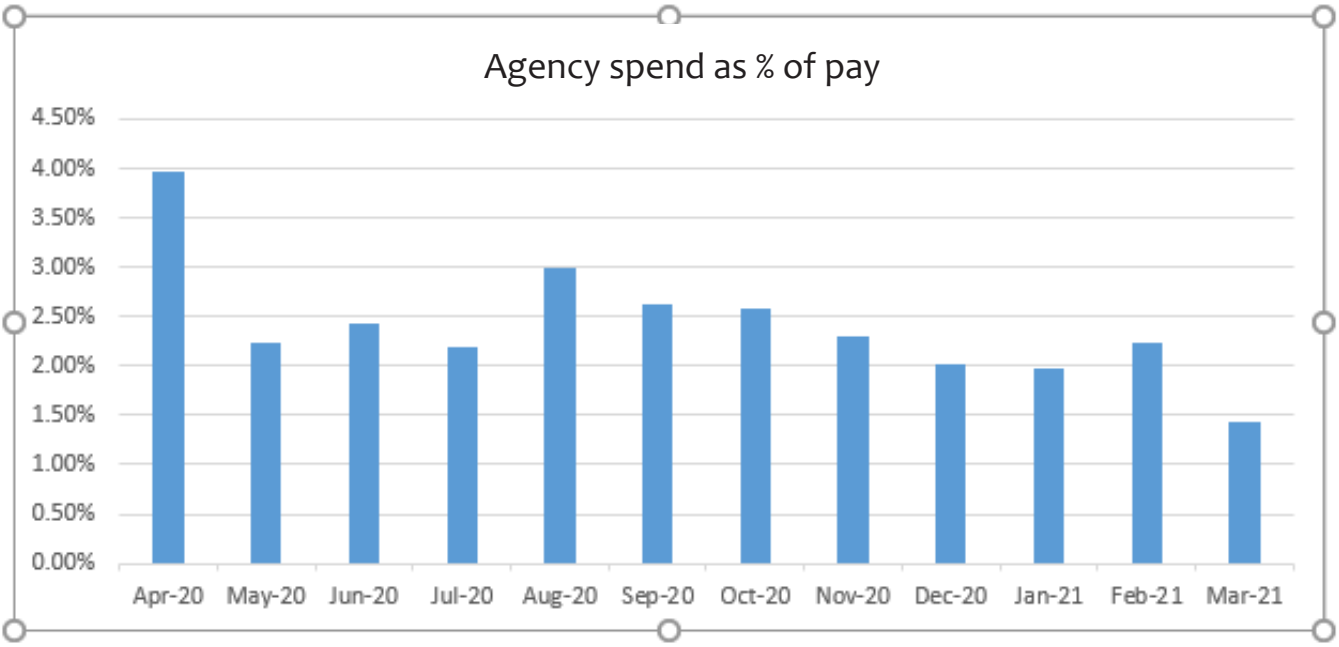


Figure 14 **Agency spend percentage**

Finance review

As a result of the pandemic, the financial framework within which the Trust operated in 2020/21 changed significantly.

In order to ensure that the primary focus was fighting the *Covid-19* pandemic, the Payment by Results (PbR) funding regime and usual contract and funding negotiation with commissioners was suspended and replaced by 'block' funding for the year, with additional 'top up' funding to cover shortfalls in income. In the first six months of the year ('H1'), the Trust was required to breakeven, whilst in the second six months of the year ('H2'), the Surrey Heartlands Integrated Care System (ICS) was required to breakeven, with flexibility for partner organisations to report surpluses or deficits within this breakeven position.

Expenditure was also atypical, with lower costs relating to elective activity offset by high costs of treating *Covid-19* patients. In H1, the Trust was reimbursed directly for incremental *Covid-19* costs whilst in H2, funding was allocated by the ICS.

The Trust ended the year to the 31st March 2021 with a £0.61m surplus position, after allowing for a number of technical adjustments, better than ICS requirements (see figures 15 and 16, below). It should be noted the budget figures in the below tables are the original 2020/21 budget the Trust had developed pre the impact of wave 1 of *Covid-19*. This budget was never finalised since all planning was suspended in March 2020.

	Budget £m	Actual £m	Variance £m
Income	423.72	467.14	43.42
Pay	(249.34)	(276.40)	(27.06)
Non-pay	(156.71)	(173.05)	(16.34)
Depreciation	(10.05)	(12.27)	(2.22)
Financing	(5.59)	(4.73)	0.86
Total	**2.03**	**0.69**	**(1.34)**

Figure 15 **Reported financial position**

	Budget £m	Actual £m	Variance £m
Income	**423.72**	**460.22**	**36.50**
Pay	**(249.34)**	**(276.40)**	**(27.06)**
Non-pay	**(156.71)**	**(167.90)**	**(11.19)**
Depreciation	**(10.05)**	**(10.58)**	**(0.53)**
Financing	**(5.59)**	**(4.73)**	**0.86**
Total	**2.03**	**0.61**	**(1.42)**

Figure 16 **Reported financial position adjusted for NHSI/E items.**

N.B. The "Budget" position above reflects the Draft Plan for 2020/21 submitted in February 2020

Income

Income from patient care activities was £396.67m (prior year £364.70m) of which £13.69m related to central funding from NHSI/E for additional employers' pension contributions and higher annual leave accruals. Other operating income was £70.46m (prior year £62.28m) of which £16.65m related to Top Up and reimbursement payments from NHSI/E.

Pay costs

The Trust pay costs increased year on year by £29.47m (prior year £23.80m). Of this increase, £6.41m related to incremental *Covid-19* costs.

The Trust agency spend was £6.51m (prior year £13.64m) and as such, agency spend as a proportion of total pay expenditure reduced considerably in 2020/21 due to tighter controls. Other temporary staffing costs include bank and locum costs of £32.61m (prior year £23.30m) and substantive staff costs of £227.27m (prior year £201.21m).

Non-pay costs

Non-pay spend was £173.10m (prior year £159.03m) of which:

- £49.99m related to drug spend
- £38.21m related to clinical supplies
- £16.98m related to premises

Cost savings and productivity gains

Despite it being significantly more challenging to deliver efficiency savings during a pandemic, in 2020 - 2021, the Trust delivered a £11.2m (prior year £16.5m) Cost Improvement Programme, representing 75 per cent of the target value.

Of the total savings referenced above, £5.09m was from the Cost Improvement Programme and £6.10m was from the Trust-wide transformation programme. These cost improvements fund year on year investment in service development and expansion.

The transformation programme is part of an overall five-year plan to redesign both clinical and non-clinical pathways to achieve a revised model of care across the local area.

Capital programme

The Trust's original plan for the year was £17.8m (prior year £21.1m) and covered schemes for estates changes, information technology and clinical equipment.

During the year the Trust was awarded substantial additional public dividend capital (PDC) totalling £14.7m. Approximately half of this additional capital (£7.4m) was given to the Trust as part of its *Covid-19* response. The *Covid-19* capital spend related to:

- Infrastructure (£3.4m) - the cost of constructing and equipping a new 20 bed modular ward ('The Guildford Ward')
- Medical Equipment (£2.5m) – additional medical equipment (e.g. endoscopy equipment, mobile scanners) required to ensure safe clinical pathways

Performance analysis

- IT (£1.5m) – the cost of additional IT equipment to support remote working and virtual consultations

The remaining additional PDC capital helped support the Trusts electronic patient records IT implementation ('Surrey Safe Care') for which PDC of £3.5m was received against a total spend of £5.4m as well as Electronic Prescribing (PDC £1.3m) and the expansion of the A&E waiting area (PDC£0.5m).

Including the additional PDC expenditure, the total capital spend in 2020/21 was £26.3m (prior year £20.5m) and was funded by internally generated cash through depreciation, PDC £14.7m (described above) and cash generated from prior year surpluses. In addition to the items above relating to *Covid-19* and 'Surrey Safe Care', which either were fully or part funded through PDC, other areas of capital investment were in backlog maintenance (£1.7m), theatres refurbishment (£0.9m) and the completion of the second theatre in maternity unit as well as Special Care Baby Unity (SCBU) alterations (£0.9m).

Cash balances

Due to sound financial control, cash balances remained positive during the year with a year-end balance of £99.5m versus a plan balance of £74.5m and a prior year closing balance of £80.6m. The high cash balance at the year-end is a result of the additional PDC of £14.7m (above) being received in the year, meaning existing cash balances were not required to fund the capital programme.

Financial plan 2021 - 2022

The Trust has agreed an operating expenditure budget for 2021/22. The financial framework for 2021/22 is still evolving. The Trust has been notified of a likely funding allocation for the first six months of 2021/22 and is working with system partners on developing a plan that will ensure that the Trust is adequately funded, and that the financial performance of the wider Integrated Care System (ICS) meets NHSE/I regulator expectations for the period.

Use of resources

The last Care Quality Commission (CQC) finance and use of resources assessment rated the trust as "Excellent".

Social, community and human rights issues

The Trust actively engages with the local community in many ways, for example local health events across the catchment area are well attended and feature presentations from senior clinicians about the services the Trust provides and give members of the public the opportunity to meet and engage with governors, directors and senior managers.

The Trust runs popular public engagement events and engages strongly with the community through charity fundraising activities with membership events open to all. However all of this activity was curtailed due to the pandemic, although all of our public meetings moved on-line.

Where appropriate, all policies have an equality impact assessment to gauge their effect on service users and staff. The Trust works in partnership with other parts of the NHS and alongside other neighbouring trusts and the GP federation as part of the Integrated Care Partnership and with local organisations on community-wide health issues. All staff are trained in adult and child safeguarding at a level appropriate to their role.

The Trust remains aware of changes to legislation in relation to human rights issues, such as the Modern Slavery Act and consider its responsibilities connected to legislation in matters such as safeguarding and procurement. The Trust procures from suppliers in line with NHS public sector standards. This ensures that suppliers comply with relevant law, guidance and industry good practice to satisfy themselves that slavery or human trafficking does not occur within their supply chains. These expectations are articulated within the NHS terms and conditions for procurement.

The Trust has employment, identity and employee welfare arrangements in place to combat any exploitation of people and its staff.

Performance analysis

Research and development

This year brought into sharp focus the critical role of clinical research in helping to understand and combat disease. Throughout the year, the Trust played a full role in the national programme of *Covid-19* research. We recruited over 1,250 participants (patients and staff) to 14 *Covid-19* research studies, 11 of which were national Urgent Public Health *Covid-19* research studies. This research played a crucial role in furthering the understanding of this disease and led to the early identification and approval of treatments.

The RECOVERY trial was set up at pace and reaped results as early as June 2020. It found that the cheap and widely available steroid dexamethasone reduces deaths by one third in patients using a ventilator to breathe, and by one fifth in patients receiving oxygen only. Figures published in March 2021 estimated this drug has saved around one million lives globally, including 22,000 in the UK. As part of the same study tocilizumab, an anti-inflammatory treatment for arthritis, was also found to reduce the risk of death when given to hospitalised patients with severe *Covid-19*.

Critical findings also came from the REMAP-CAP study, which showed that tocilizumab and sarilumab (also used to treat arthritis) saved an extra life for every 12 critically ill patients treated and reduced the length of time patients need to spend in intensive care by about a week.

Other *Covid-19* research studies undertaken at the Trust gave crucial insight into how the human immune system responds to coronavirus. Over 250 Trust staff participated in the national SIREN study which found that past *Covid-19* infection provides a high level of immunity to reinfection for at least five months. An independent analysis of SIREN additionally showed that the Pfizer-BioNTech vaccine provides high levels of protection against *Covid-19* from the first dose.

Also expanding knowledge of *Covid-19*, the GenOMICC study found key differences in five genes of *Covid-19* patients on intensive care compared with samples provided by healthy volunteers. The genes help to explain why some people become desperately sick with *Covid-19*, while others remain asymptomatic.

Evidence from the CLARITY study – which is focused on patients with Crohn's disease and colitis – showed that common inflammatory bowel disease treatment is linked to reduced *Covid-19* antibody response and so advised careful monitoring of this group of patients after receiving their *Covid-19* vaccine to ensure they mount a strong enough antibody response to ward off the infection.

While we worked hard to maintain our broad active portfolio of research, the pandemic inevitably led to a reduction in the amount of research the Trust was able to do into other conditions. Over the year we recruited approximately 500 Trust patients into non-*Covid-19* research studies. We built new research collaborations with key partners including the University of Surrey and Public Health England. This enabled us to branch out into new areas of research,

such as public health, and will provide a platform to enhance our research portfolio in the future.

Well-led framework

The Risk Assessment Framework, published by the statutory regulator, Monitor, in October 2013, requires foundation trusts to commission an external review of their governance every three years. In April 2020 the Board had deferred an external review due the pandemic with the agreement of the regional office of NHS England and Improvement. As part of the current Care Quality Commission inspection now extended by at least 18 months into the late summer of 2021, the Board of Directors will be subject to a well-led assessment, the results of which will be reported in the next financial year.

The Board agreed in March 2021 to seek the agreement of the regional office of NHS England and Improvement to postpone an external review later in 2021-2022 to include peer review elements, a forward focus and where possible a common approach across the Surrey Heartlands Integrated Care System (ICS).

The Trust uses the well-led framework to inform its governance processes, which are outlined in the Annual Governance Statement that starts on page 91.

Better Payment Practice Code

The aim of the BPPC is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the latter) unless other payment terms have been agreed. The Trust reports compliance with this code on page 156-157 – note 10 to the Annual Accounts.

Subsidiary operations

Healthcare Partners Limited

Healthcare Partners Limited is a wholly owned subsidiary of the Trust providing managed services in procurement, medical equipment, and contract management. Formed in April 2018, it is responsible for these services across all clinical departments in the acute hospital and Community sites. In the last 12 months, it has added dental laboratory services for the Trust and has centralised the procurement and delivery of Wound Care products across the Surrey Heartlands Integrated Care System (ICS). Its medical engineering department also undertakes support services for other hospitals and local health care settings.

Healthcare Partners Limited's prime role is to transform the provision of these services, delivering financial savings while improving quality and providing clinical assurance in its area of responsibility. Since its launch it has delivered £9.2m of savings for the Trust, which have been reinvested in front line services. HPL has a quality management system for all of its operations and has achieved ISO 9001 accreditation. In the past 12 months, it has played a pivotal role in ensuring the Trust has sufficient PPE, medical consumables and equipment in its response to *Covid-19.*

The business employs c.65 people with an annual turnover of £43m, most of which is from the Trust but also from a small but growing number of external contracts in servicing medical equipment and centralised Wound Care. Healthcare Partners Limited has its own Board of Directors and is registered with and submits annual reports to Companies House. At an operational level its financial performance both ongoing and annually is consolidated in the Trust's accounts.

RSCH Pharmacy Limited

RSCH Pharmacy Limited is a wholly owned subsidiary of the Trust providing Outpatient Dispensary services to patients in the locality. It was formed in 2014 and operates from two dispensaries and a drive-by collection point on the Royal Surrey main site and

Performance analysis

provides specialist dispensing to other localities. It delivers a high-quality dedicated service while providing financial savings to the Trust.

The business employs circa 32 people with an annual turnover of £13m, most of which is from the Trust but some derives from dispensing of private prescription and sales of over-the-counter medication. RSCH Pharmacy Limited is regulated by the General Pharmaceutical Council, has its own Board of Directors and is registered with and submits annual reports to Companies House. At an operational level its financial performance both ongoing and annually is consolidated in the Trust's accounts.

Overseas operations

The Trust did not have any overseas operations during the financial year.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Royal Surrey NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Louise Stead
Chief Executive Officer
Date 9th June 2021


E I D M U B A R A K
NHS
NHS
TUESDAY 26th MAY

Directors' Report

The Directors' Report

The Directors present their report and audited financial statement for the year to 31 March 2021. The Directors are responsible for preparing the Annual Report and Accounts, and consider the report, taken as a whole, to be a fair, balanced and understandable account of the performance of the organisation during the year 2020 - 2021. The information within this report provides the information necessary for patients, regulators and other stakeholders to assess the Royal Surrey's performance, business model and strategy.

The Directors' report has been prepared under direction issued by NHS Improvement, the independent regulator for foundation trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Sections 415, 416 and 418 of the Companies Act 2006; (section 415(4) and (5) and section 418(5) and (6) do not apply to NHS foundation trusts)
- Regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008
- Additional disclosures required by the financial reporting manual
- The NHS foundation trust annual reporting manual 2020 - 2021
- Additional disclosures required by NHS Improvement.

Board of Directors

Biographies for individuals who served as Directors on the Board at any time during the year ended 31 March 2021 are detailed on the following pages.

As can be seen from the Directors' biographies and from the Trust's compliance with the requirements of the Monitor NHS Foundation Trust Code of Governance (updated in July 2014) the Board of Directors has an appropriate composition and balance of skills and depth of experience to lead the Trust.

Non-executive Directors

Susan Sjuve, Chair

Sue was appointed Chair of the Royal Surrey NHS Foundation Trust on 1 March 2017, and reappointed for a second three-year term in 2020. A highly experienced chair, Sue has worked in the public and private sectors in high profile and successful organisations.

Sue started her career at Guys Hospital Paediatric Research Unit as a research technician. Her executive career was mostly in financial services where she held director level roles in The Woolwich, Barclays plc and National Australia Group. Her skills and experience cover programme management, risk management, marketing, sales, customer relationship management and diversity and inclusion.

Since her appointment, Sue has led the Trust to a number of successes including achieving compliance with the Foundation Trust's Provider licence requirements and a 'good' rating from the Care Quality Commission.

This is Sue's third NHS non-executive role and her sixth non-executive appointment overall. Until December 2019, Sue was also the Chair of the national communications charity, The Makaton Charity. She has a B.SC in Human Biology (1st Class) and post graduate qualifications in psychological coaching.

Andrew Prince, Deputy Chair

Andrew is the Deputy Chair of the Royal Surrey, Chair of the Healthcare Partners Limited and Chair of the trust's Audit Committee. As the Surrey Heartlands Integrated Care System matures, Andrew has been asked to join its Develop and Transform Board, which he now attends in a Non-Executive capacity.

Andrew is a healthcare professional specialising in non-clinical support for integrated care across acute and community settings. He is Director of the Serco Healthcare Centre of Excellence where he has responsibility for the migration of good practice across Serco's healthcare operations in the Middle East, Asia Pacific, the UK and the United States. This brings responsibility for strategic partnerships, particularly with technology firms, for thought leadership and the development of new service propositions.

Andrew has extensive experience working with the NHS, having served on the Boards of other NHS trusts, including as Senior Independent Director of Frimley Health NHS Foundation Trust and as Deputy Chair of North Hampshire Hospitals.

Directors' Report

Gaenor Bagley, Senior independent non-executive Director

Gaenor has served as non-executive Director at the Royal Surrey since April 2017 and was, until recently, Chair of the Audit Committee. Currently, Gaenor is Senior Independent Director and Chair of the Quality Committee.

Gaenor has extensive leadership experience in professional services, where she held a variety of leadership and Board level positions, including as Head of People on the Executive Board of PwC, with responsibilities for developing the firm's People and Corporate Social Responsibility strategy. Alongside this role she was the Global Head of Learning and Development, responsible for the development strategy for the PwC network firms.

Gaenor now holds a portfolio of non-executive director roles. Her other current roles include non-executive Director and Chair of Audit Committee and Remuneration Committees at Zopa Bank Limited, a non-executive director at the National Audit Office, Chair of TKAT, a multi-academy trust, and is an External Member of Cambridge University Council.

Gaenor qualified as an accountant with Ernst Young in 1989.

Martin Hedley, independent non-executive Director

Martin was appointed in March 2016 and currently chairs the Finance and Transformation Committee and the RSCH Pharmacy Limited subsidiary.

He manages an advisory company providing executive coaching, mentoring and some specialised recruiting for medical device quality assurance and regulatory affairs experts.

Having enjoyed an extensive expatriate career, primarily in the United States and the Gulf Countries, he brings experience from British Airways, American Airlines, JP Morgan Chase and Citibank. He has been leading consulting companies since 2002 and has served in interim CEO/COO roles. His primary expertise is in transformation, enterprise technology, service excellence and quality.

He is a member of a New York based board advisory firm and runs the Peak Performer Forum, an online service dedicated to building leadership skills in remote parts of the world.

Martin graduated from Newcastle University in Geomatics, is a published author and a senior member of the American Society for Quality.

Lakh Jemmett, independent non-executive Director

Lakh has served as a non-executive Director with the Royal Surrey since April 2017, and is a non-executive Director for Healthcare Partners Limited subsidiary.

He has brought with him a wealth of experience as a CEO and Board Director, having successfully built and led International Technology Businesses for the past 30 years in FTSE companies, multiple European jurisdictions and Private Equity environments. Lakh has a background in IT intensive Businesses, Telecommunications and Digital Services and has worked in both regulated and unregulated environments. His experience includes the leadership of organisations in the US, Asia, Europe and South America managing culturally diverse technology and service provider teams including at Alcatel Lucent, Nokia, COLT Plc, BT Plc and US Sprint.

Lakh has a BSc (Hons) in Physics and a Diploma in Company Direction from the London Institute of Directors and owns his own consultancy company, Wimoweh Limited. He also currently serves on the Board for HM Courts and Tribunals Service, Portsmouth Water Customer Challenge Group, and Irish Telecommunications Market.

Howard Webber, independent non-executive Director

Howard Webber was appointed to the Royal Surrey Board in 2017, and currently chairs the Charitable Funds Committee and the Performance, Partnerships and Population Health Committee.

Howard began his career in the Home Office and worked in a variety of roles in government departments and quangos including the Cabinet Office and the Arts Council. He was Chief Executive of the Consumer Council for Postal Services and of the Criminal Injuries Compensation Authority.

Howard has had a range of non-executive, charity trustee and voluntary roles, and currently serves as Chair of Lambeth and Southwark Housing Association and as volunteer grant assessor for the Henry Smith Charity.

Howard has degrees in law, public administration and history, and completed a PhD at King's College London in 2019. His book 'Before the Arts Council' was published by Bloomsbury in February 2021.

Directors' Report

Dr David Hicks independent non-executive Director

David was appointed in March 2019 and chaired the Quality Committee until April 2020. He is the Trust's Freedom to Speak up non-executive Director. He has over 30 years' experience in the NHS, most recently at Great Ormond Street Hospital where he was the Medical Director and Trust lead for patient and staff safety and clinical quality. He was also responsible for the legal team, medical workforce and the education and development of Doctors.

David has also worked in the private healthcare sector, most recently being the Medical Director at the BUPA Cromwell Hospital in Knightsbridge.

David specialised in Sexual Health and Genitourinary Medicine before progressing into management and holding a range of Board level clinical leadership posts. He was Acting Chief Executive at Barnsley hospital from 2006 to 2007 and at Mid Yorkshire Hospitals he was a non-executive Director, advising on clinical reorganisation, chairing their Quality Committee and leading on safeguarding and end of life care.

He is a Clinical and Professional Advisor to the Care Quality Commission and was a medical appraiser to NHS England. David is also a non-executive director for Southern Health NHS Foundation Trust, Interim Medical Director for Transfusion, NHS Blood and Transplant, and Clinical Insight Specialist Advisor at *Covid-19* Behaviour Change Unit, NHSE/I. He is also an Honorary Senior Lecturer at the University of Sheffield and an Assistant Professor at the University of Saint Matthews in Miami USA.

Executive directors

Louise Stead, Chief Executive Officer

Louise qualified as a registered nurse in 1988. With a varied career in a number of London teaching hospitals Louise is an experienced nurse in cardiology, cardiovascular surgery, hepatobiliary and pancreatic medicine and surgery, haematology and coronary care. She has an MSc in Professional Practice (Leadership and Management) and is a visiting professor at the University of Surrey.

Louise was appointed as Chief Executive Officer of the Trust in September 2018. Prior to this she was the Deputy Chief Executive Officer and was Director of Nursing from 2011, where she was pivotal to the Trust achieving a 'good' rating from the Care Quality Commission in 2018. Louise is a specialist advisor to the Care Quality Commission and has participated in carrying out well led reviews at other NHS trusts. She was also appointed Place Based Leader for Guildford and Waverley ICP within the Surrey Heartlands Integrated Care System (the ICS) from 1st Dec 2020.

As Chief Executive Officer, Louise proactively works with system partners to enable the Trust to improve quality of care for patients, for example, as chair of the Surrey and Sussex Cancer Alliance.

Ross Dunworth, Director of Finance

Ross qualified as a Chartered Accountant with Price Waterhouse in Leeds, joining the local NHS as a Finance Manager in 1992. He worked in Plymouth, Hertfordshire and Hampshire in senior financial manager roles until leaving the NHS in 2007 to run his own interim and consultancy service. Since then, he has worked in a diverse range of NHS organisations joining Royal Surrey June 2016.

Ross has responsibility for managing Finance , IT and Estate Services; most notably achieving the successful delivery of a healthy financial position for the Trust over the last four years and helping the Trust achieve CQC Outstanding for its Use of Resources in 2020.

Ross has an MA in History and Archaeology from the University of Winchester.

Directors' Report

Dr Marianne Illsley, Medical Director

Marianne joined the Trust as Consultant Clinical Oncologist in January 2000. Specialising in the treatment of lung and oesophageal cancer she was instrumental in the development and growth of Royal Surrey's St Luke's Cancer Centre.

Appointed as Medical Director in 2018, Marianne has held a number of clinical and management positions. She has served on the Professional Standards Board at the Royal College of Radiologists, leading on Radiotherapy Governance and on the South East Clinical Senate, advising on broader healthcare issues. She has a founding fellowship from the Faculty of Medical Leadership and Management.

Marianne's first degree was from the University of Cambridge in 1984 and she qualified MB BS from Guy's Hospital Medical School in 1987. Marianne trained in Oncology at Barts Health NHS Trust, Guys and St Thomas' NHS Foundation Trust, The Royal Marsden NHS Foundation Trust, where she was a research fellow and at Brighton and Sussex University Hospital.

Jo Mountjoy, Chief Nurse

Jo was appointed as the Chief Nurse in January 2019.

Initially, Jo worked for the Trust for 6 years, leaving in 1996, and eventually returning in 2004. Since then, Jo has held a number of positions including, Accident and Emergency Senior Clinical Nurse Manager, Head of Nursing, Deputy Director of Nursing and Acting Chief Nurse from September 2018 to December 2018.

Jo has an MSc in Healthcare Management. Having qualified as an Enrolled Nurse in June 1990, Jo converted her qualification to Registered Nurse in 1994. Her initial nursing experience was in orthopaedic nursing and she transferred to accident and emergency nursing in 1991, having worked in this specialty at a number of acute settings both in London and the southern region.

Bob Peet, Chief Operating Officer

Bob Peet joined Royal Surrey in June 2017 as Chief Operating Officer. He previously worked as the Transformation Director for the Surrey Heartlands Health and Care Partnership Sustainability and Transformation Plan.

Bob has a wealth of experience in senior roles covering both operations and strategy, most recently at Ashford St Peter's Hospitals and prior to that at Buckinghamshire Hospitals and at Guy's and St Thomas's Hospitals.

Louise Hall, Director of Human Resources and Organisational Development

Louise was appointed as the Director of Human Resources and operational development in January 2019, having previously worked at Frimley Health and the South London and Maudsley NHS Foundation Trusts.

She has over 30 years of experience in HR and has worked in the private and public sectors, undertaking operational as well as strategic change roles.

Louise has a special interest in culture change and staff health and wellbeing, including mental health. Louise is local to the Trust and has always been an advocate for local acute and community services.

Directors' Report

Changes to the Board of Directors

The Board of Directors comprises:

- Seven non-executive directors (including the Chair)
- Six executive directors (including the Chief Executive Officer).

There were no changes in relation to the Board during 2020 – 2021.

At 31st March 2021, the Trust had six voting executive directors and seven voting non-executive directors.

The Trust Board met the requirement of having a majority of non-executive directors on the Board.

All non-executive directors are on fixed term contracts and all executive directors have six-month notice periods.

Board of Directors' register of interests

The register of interests for the executive and non-executive directors that served as members of the Board during the year ended 31 March 2021 is detailed below:

Directors		Declared interests
Non-executive directors	Sue Sjuve	Directorship of Drovers Lane Residents Association Marketing Consultant for Inaccord
	Andrew Prince	Development Director of Serco Global Healthcare Centre of Excellence Appointed Chair of Healthcare Partners Limited Non-Executive Director of Develop and Transform Board, part of Surrey Heartlands Integrated Care System
	Gaenor Bagley	Chair of Trustees of The Kenmal Academies Trust Trustee and External Member of Council of the University of Cambridge Chair of International Advisory Board at Leeds University Business School Non-Executive Director at the National Audit Office Non-Executive Director of Zopa Bank Ltd – role ended 31 August 2020 Non-Executive Board Member of Foreign & Commonwealth Office – role ended 31 August 2020
	Martin Hedley	Governor at Gateshead College (non-remunerated position) Appointed Chair of Royal Surrey Pharmacy Ltd from 1 April 2020 Executive search, coaching, and mentoring in Vision Achievement Limited
	David Hicks	Non-Executive Director for Southern Health NHS Foundation Trust Specialist Advisor to the CQC Interim Medical Director, Transfusion at NHS Blood and Transplant Authority Consultant at LocumsNest – role ended 30 April 2020
	Lakh Jemmett	Chair of Portsmouth Water Limited CCG Non-Executive Director at HM Courts and Tribunals Service Board Member of Healthcare Partners Limited, a wholly owned subsidiary of The Royal Surrey Foundation Trust Own Management Consultancy – Wimoweh Ltd
	Howard Webber	Chair of Lambeth and Southwark Housing Association (a non-profit provider of social housing) Honorary Secretary of the charity Kingston Liberal Synagogue – role ended 17 April 2020
Executive directors	Louise Stead	Loyalty interests as an appointed visiting Professor at University of Surrey (non-remunerated position)

Directors		Declared interests
		Shareholder of Royal Dutch Shell PLC and AstraZeneca
	Ross Dunworth	Shareholder of Whiteparish Financial Services Limited
	Louise Hall	Nil Declaration
	Marianne Illsley	Shareholder of Aviva PLC Consultant Shareholder – Mount Alvernia PET CT Ltd
	Jo Mountjoy	Loyalty interests within the Trust
	Bob Peet	Trustee for CWR - Christian Publishing and Education Charity

Figure 17 **Register of Board of directors' interests**

Register of governors' interests

A register of governors' interests is maintained by the Trust. A copy of the latest version submitted to the Council of Governors is available on the Trust's website via royalsurrey.nhs.uk or may be inspected during normal office hours at the Chief Executive Officer's office.

Other disclosures by directors

So far as each of the directors is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware. Each director has taken all the steps they ought to in their role in order to make themselves aware of any relevant audit information and to establish that the Royal Surrey's auditor is aware of that information.

The directors are satisfied that under the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) the income from the provision of goods and services for the purpose of the health service in England by Royal Surrey is greater than its income from the provision of goods and services for any other purposes. This other income is shown in note 4 of the Annual Accounts. Most is used to cover associated costs and any surplus is reinvested in the provision of NHS health services.

Royal Surrey has complied with the cost allocation and charging guidance issued by HM Treasury.

None of the Board of Directors has made any political donation during the course of the year.

Board members' attendance record for Board of Director meetings for the year ended 31 March 2021 follows:

Directors' Report

Director	Role	Apr 2020	Jun 2020	Jul 2020	Sep 2020	Oct 2020	Nov 2020	Jan 2021	Mar 2021	Meetings attended	Meetings held	%
Sue Sjuve	Chair	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Andrew Prince	Non-executive Director[1]	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Gaenor Bagley	Non-executive Director	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Martin Hedley	Non-executive Director	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Lakh Jemmett	Non-executive Director	✓	✓	✓	✓		✓	✓	✓	7	8	88%
Howard Webber	Non-executive Director	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
David Hicks	Non-executive Director	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Louise Stead	Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Ross Dunworth	Director of Finance	✓	✓	✓	✓		✓	✓	✓	7	8	88%
Marianne Illsley	Medical Director	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Jo Mountjoy	Chief Nurse	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Bob Peet	Chief Operating Officer	✓	✓		✓	✓	✓	✓	✓	7	8	88%
Louise Hall	Director of Human Resources and Organisational Development	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%

Figure 18 **Summary of 2020 - 2021 Trust Board attendances**

A clinically-led organisation

Working closely with the Board and often attending meetings of the Board of Directors are the Clinical Chief Information officer, Dr Andrew Carne; the Director of Transformation, Nicholas Sands and the Director of Strategy, Joseph Mills (see page 93).

Each of the five clinical divisions is led by a triumvirate consisting of a doctor, a nurse, and an operational manager. Coupled with this, four members of the Board of Directors are clinicians demonstrating that the Trust is truly a clinically-led organisation.

Care Quality Commission compliance and quality governance

Governance framework

The Trust has an established quality governance framework which enables the Quality Committee to monitor risks to the quality of services. The Board Assurance Framework also provides a mechanism for monitoring, where there are risks to the delivery of the organisation's strategic goals.

Systems and controls are in place to ensure the delivery of quality account obligations and the associated evidence also informs assessment of the effectiveness of the risk management and internal control framework, in relation to risks to quality. Due

[1] Senior Independent Director and Vice Chairman

to the revision of reporting requirements this will not be reported on this year.

The performance management framework provides a structured approach to monitoring the delivery of the Trust's contractual and national obligations, and associated mitigations of risks to safety.

Care Quality Commission standards

There are systems and controls in place to ensure the Care Quality Commission standards continue to be embedded within the Trust. The Trust is registered without conditions.

The most recent inspection of the Trust commenced in January 2020 and at the time of writing this report has been suspended. The Trust maintains an overall achievement and rating of 'Good'.

Quality governance

Arrangements for governing service quality are outlined in the Annual Governance Statement (commencing on page 91). In light of current *Covid-19* pressures, amendments have been made to the Foundation Trust annual report requirements for 2020 - 2021 under which the annual quality report is no longer required to be submitted as part of the Annual Report.

Prior to the pandemic situation, Royal Surrey set the following as priorities for improving quality during 2020 - 2021:

- Better births
- Staff health and wellbeing, and
- End of Life Care.

These are subject to change as the country moves out of the pandemic planning.

Governance risk rating

NHSI rates governance risk using a graduated system of green, amber-green, amber-red and red, where green indicates low risk and red indicates high risk.

During the year, there were no areas of regulatory intervention.

There were no material inconsistencies between the Trust's assessment of key risks and either subsequent NHSI ratings or Care Quality Commissions assessments.

The Trust Annual Governance Statement on page 91 details how the Trust has assessed the effectiveness of the Trust's systems of internal control.

Louise Stead
Chief Executive Officer
Date: 9th June 2021

Remuneration Report

This report includes details of senior managers' remuneration in accordance with the following:

- Sections 420 to 422 of the Companies Act 2006 as they apply to foundation trusts
- Regulation 11 and Parts 3 and 5 of Schedule 8 of Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410)
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor
- Elements of the NHS Foundation Trust Code of Governance
- The Trust's Equality, Diversity and Inclusion Strategy on page 61, and
- The UK Corporate Governance Code

The Trust considers that disclosures in this report and the staff report meet the requirements.

Annual statement on remuneration

The Remuneration Committee includes all of the non-executive directors of the Trust and was chaired by a non-executive director. It is a committee of the Board and operates under terms of reference set by the Board. Part of the Committee's remit is to determine appropriate remuneration in accordance with the terms of reference as follows:

In accordance with Clause D.2.2 of the NHSI NHS Foundation Trust Code of Governance, the Remuneration Committee has delegated responsibility from the Board of Directors for setting remuneration for all executive directors including pension rights. The Remuneration Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of senior management should normally include the first layer of management below Board level (tier 2 staff).

Seek external advice from time to time (every three years) on the remuneration packages of the Chief Executive Officer and other executive directors.

Review the overall pay and performance framework for the Trust with particular regard to the executive directors' proposals for the remuneration of the Trust's tier 2 staff (those reporting directly to executive directors).

The remuneration of the Chief Executive Officer and executive directors is determined by a combination of several factors and in accordance with the Trust's policy on executive directors' remuneration. Executive pay is nationally benchmarked annually against other foundation trusts.

For 2020-2021, the performance related pay scheme set up for the Chief Executive Officer and executive directors in 2016 was removed as it was not considered in alignment with the inability of the Trust to reward any other staff in salary terms for outstanding performance. The contractual term was removed by agreement with a compensatory consolidated payment of 3% to those affected.

Earn back provisions are applied to the Chief Executive Officer's remuneration and will apply to any very senior manager whose salary exceeds £150k in accordance with the national guidance.

In August 2021 a cost of living uplift of 2.8% was awarded in the absence of any guidance or advice from NHSEI on the advice of the Director of HR. Guidance subsequently issued towards the end of the financial year recommended a lower salary increase that the Trust had agreed, and the chair of the trust and the chair of the remuneration committee wrote to the minister to re-affirm the decision taken and advised this discrepancy would be taken into account in 2021.

The Committee agreed to award a 2.8% increase to the executive director posts on their existing salary as at 1 April 2020, which would be consolidated, unless those posts were in receipt of any staggered increase, in which case the 2.8% would be subsumed within the greater sum. Those posts in receipt of staggered increase included the Chief Executive Office, the Chief Nurse and the Director of Strategy.

There are three executive directors, including the Chief Executive Officer, who received salaries in

excess of the £150,000 threshold for reporting to NHSI. The changes to executive director and Tier 2 staff salaries were supported by all non-executive directors of the Trust.

The Remuneration Committee has kept the Executive Directors Remuneration Policy under review and approved changes to this policy on 21 December 2020.

The Trust had three substantive very senior managers with remuneration outside Agenda for Change terms and conditions of employment during the year ended 31st March 2021:

- Blaise Jennings, Director of Operational Finance (left during the year)
- Dan Brown, Director of Operational Finance (started during the year)
- Claire Strathern, Surrey Safe Care Programme Director.

David Hicks
Remuneration Committee Chair
Date 9th June 2021

Senior managers' remuneration policy

The Trust's remuneration policy for very senior managers is determined by the Remuneration Committee.

For all other substantive staff groups, the Trust uses national Agenda for Change (Nursing, Allied Health Professionals, Research and Development, Management and Administrative staff) and Consultants (Doctors and other medical staff) terms and conditions arrangements. There is minor local variation as permitted outside these national arrangements.

In respect of the executive directors, the Trust reviews and benchmarks remuneration each year.

The following substantive posts attracted remuneration above the threshold (currently £150,000) used in the Civil Service for approval by the Chief Secretary to the Treasury, as set out in guidance issued by the Cabinet Office:

- Chief Executive Officer
- Director of Finance, and
- Medical Director.

Salary entitlements of senior managers 2020 - 2021

The table in Figure 19 which follows sets out the salary entitlements of senior managers for 2020 – 2021.

The table in Figure 20 was first published in the Royal Surrey's Annual Report and Accounts 2019 - 2020 and is used here for comparative purposes.

Remuneration Report

2020 - 2021	Salary	Taxable Benefits	Annual performance-related bonus	Long-term performance-related bonus	Pension-related benefits	Total
Name and Title	**(bands of £5,000)**	**rounded to nearest £100**	**(bands of £5,000)**	**(bands of £5,000)**	**(bands of £2,500)**	**(bands of £5,000)**
Mrs S Sjuve - Chairman	45-50	0	0	0	0	45-50
Mrs L Stead - Chief Executive Officer	190-195	0	5-10	0	92.5-95.0	290-295
Dr M Illsley - Medical Director	230-235	0	0-5	0	0	230-235
Mr R Dunworth – Finance Director	170-175	0	5-10	0	37.5-40.0	215-220
Mr R Peet - Chief Operating Officer	150-155	0	5-10	0	37.5-40.0	195-200
Mrs J Mountjoy - Chief Nurse	124-130	0	0-5	0	85-87.5	215-220
Mrs L Hall - Director of HR & Organisational Transformation	125-130	0	5-10	0	0	135-140
Mrs G Bagley - non-executive Director	10-15	0	0	0	0	10-15
Mr M Hedley - non-executive Director	10-15	0	0	0	0	10-15
Mr D Hicks - non-executive Director	10-15	0	0	0	0	10-15
Mr L Jemmett - non-executive Director	10-15	0	0	0	0	10-15
Mr A Prince - non-executive Director	10-15	0	0	0	0	10-15
Mr H Webber - non-executive Director	10-15	0	0	0	0	10-15

Band of highest paid Director's total remuneration (£000)	230-235
Median total remuneration (£)	31,365
Ratio	7.4

Figure 19 **Salary entitlements of senior managers 2020 – 2021 (information subject to audit)**

2019 - 2020	Salary	Taxable Benefits	Annual performance-related bonus	Long-term performance-related bonus	Pension-related benefits	Total
Name and Title	**(bands of £5,000)**	**rounded to nearest £100**	**(bands of £5,000)**	**(bands of £5,000)**	**(bands of £2,500)**	**(bands of £5,000)**
Mrs S Sjuve - Chairman	45-50	0	0	0	0	45-50
Mrs L Stead - Chief Executive Officer	175-180	0	0-5	0	150.0-152.5	330-335
Dr M Illsley - Medical Director[2]	215-220	0	0-5	0	72.5-75.0	290-295
Mr R Dunworth – Finance Director	160-165	0	0-5	0	37.5-40.0	200-205
Mr G Mahoney	0	0	0-5	0	0	0-5
Mr R Peet - Chief Operating Officer	140-145	0	0-5	0	30.0-32.5	175-180
Mrs J Mountjoy - Chief Nurse	115-120	0	0-5	0	172.5-175.0	285-290
Mrs L Hall - Director of HR & Organisational Transformation	120-125	0	0-5	0	0	125-130
Mrs G Bagley - non-executive Director	10-15	0	0	0	0	10-15
Mr M Hedley - non-executive Director	10-15	0	0	0	0	10-15
Mr D Hicks - non-executive Director	10-15	0	0	0	0	10-15
Mr L Jemmett - non-executive Director	10-15	0	0	0	0	10-15
Mr A Prince - non-executive Director	10-15	0	0	0	0	10-15
Mr H Webber - non-executive Director	10-15	0	0	0	0	10-15
Band of highest paid Director's total remuneration (£000)					215-220	
Median total remuneration (£)					30,401	
Ratio					7.2	

Figure 20 **Salary entitlements of senior managers 2019 – 2020**

Remuneration received by directors in 2020 – 2021 totalled £1,170,668.59 (2019 - 2020 £1,091,198).

[2] The remuneration for the Medical Director includes a consultant salary element.

Remuneration Report

Median salary / highest paid director[3]

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. This information is shown in Figure 21 for the year ended 31st March 2021 and Figure 22 for the year ended 31st March 2020.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The median total remuneration value calculation only includes employees that have been employed on a permanent contract of employment. Staff employed on a bank contract have been excluded from the calculation. In calculating the median ratio, the highest paid director's banding excludes pension related benefits to ensure a like for like comparison is made. The highest paid director in the 2020 - 2021 financial year was the Medical Director.

Expenses

Expenses incurred by directors and governors during 2020 - 2021 were as follows:

- Directors £4,814.62 (2019 - 2020 £10,135)
- Governors £0 (2019 - 2020 £1,660)

Service contract obligations

There were no service contract obligations affecting senior manager contracts. The Trust does not have a specific policy regarding payment for loss of office for senior managers. There have been no payments for loss of office within the period of this report. Should circumstances require, the Trust will arrange payment on an individual basis with a view to best practice and other relevant policies.

Pension benefits of senior managers 2020 - 2021

The pension benefits for senior managers is provide in the following table:

[3] Median salary / highest paid director:

- The median pay calculation is based on the salary paid to staff in post on 31 March 2021.
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employer's pension and employer's Social Security costs.
- The reported annual salary for each whole time equivalent has been calculated using the appropriate spine point on the contractual pay scale or actual annual salary as at 31 March 2021 where no pay scale is used.
- Payments made in March 2021 to staff who were part-time were pro-rated to a whole-time equivalent salary.
- The highest paid director is excluded from the median pay calculation.
- The highest paid director's remuneration is based on their total remuneration which includes all salaries and allowances (including fees), bonus payments and other remuneration.
- The salary of the highest paid director has been taken as the midpoint of their £5,000 total remuneration banding.

Name and title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2019	Total related lump sum at age 60 at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	To nearest £100
Mrs L Stead, Chief Executive Officer	5.0-7.5	15.0-17.5	70-75	215-220	1,614	1,464	150	0
Mr R Dunworth, Finance Director	2.5-5.0	0	25-30	45-50	596	544	52	0
Dr M Illsley, Medical Director (Shared)	0.0-2.5	0	55-60	150-155	536	482	55	0
Mr R Peet, Chief Operating Officer	2.5-5.0	0.0-2.5	35-40	20-25	1,289	1,289	0	0
Mrs J Mountjoy, Chief Nurse	2.5-5.0	5.0-7.5	50-55	125-130	989	889	101	0

Figure 21 **Pension benefits of senior managers 2020 – 2021 (information subject to audit)**

Note: Non-executive directors are not shown above as they receive non-pensionable remuneration.

NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement. (This is a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design.) We believe this approach is appropriate given that there is still considerable uncertainty on how the affected benefits within the new NHS 2015 Scheme would be adjusted in future once legal proceedings are completed.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

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

The pension benefit table provides further information on the pension benefits accruing to the individual.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value 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 individual member's accrued benefits and any contingent spouse's pension payable from the scheme.

A Cash Equivalent Transfer Value is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

Staff Report

The Cash Equivalent Transfer Value figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. Cash Equivalent Transfer Values are calculated in accordance with Statutory Instrument 2008 No 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real Increase in Cash Equivalent Transfer Value

This reflects the increase in Cash Equivalent Transfer Value effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. A Cash Equivalent Transfer Value is not provided once a scheme member reaches age 60.

Annual report on remuneration

The narrative elements of the Remuneration Report are not subject to audit. The salary and pension information contained on pages 48-52 has been audited along with details on the median salary as a ratio of the highest paid director's remuneration on page 51. The Remuneration Report includes details of the remuneration paid to the Chair and directors of the Trust (the 'senior managers' who influence the decisions of the Trust as a whole).

There are two committees within the Trust's governance arrangements with responsibility for remuneration of the Board of Directors:

- Nominations Committee (a committee of the Council of Governors)
- Remuneration Committee (a committee of the Board of Directors).

It has been the policy of the finance department to ensure that all off-payroll engagements are identified. A sample check has been conducted by contacting the employee directly via email or phone to ensure that tax arrangements are appropriate for any engagement.

Remuneration Committee

The Remuneration Committee acts on behalf of the Board of Directors to:

- Make decisions upon the performance and remuneration and terms of service for the Chief Executive Officer and other executive directors. This includes all aspects of salary, termination, and other major contractual terms.
- Recommend and monitor the level and structure of remuneration for Tier 2 senior management.
- Operate in accordance with the principles outlined in 'The NHS Foundation Trust Code of Governance' produced by Monitor.

The Chief Executive Officer attends meetings of the Remuneration Committee by invitation but will not attend during any discussions on matters where there may be a conflict of interest. Other directors may attend by invitation on a similar basis. The company secretary will assist in preparing agendas, papers and minutes for the Remuneration Committee.

Full attendance for individual members of the Remuneration Committee during the year appears in the Board members' attendance table, page 71.

Expenses

Information on the expenses claimed by directors and non-executive directors is included in Figure 21 and Figure 22 Salary entitlements of senior managers 2020 - 2021 on page 48-50. In the year ended 31 March 2021, no governors claimed any expenses.

Executive directors' remuneration 2020 - 2021

Full details of the salaries and pension entitlements of the executive and non-executive directors of the Trust are detailed in the remuneration report which has been audited. Details of the Trust's staff costs are set out in note 8 of the accounts.

Non-executive directors' remuneration 2020 - 2021

A Nominations Committee meeting was held in July 2020 to consider the 2020 - 2021 basic pay awards to the non-executive directors, including the Chair. As there had been a substantial review of non-executive remuneration in the previous year and there had been guidance issued by NHSI, the committee agreed to make no recommendation to increase non-executive remuneration in 2020-2021 noting that current levels were within the recommended levels.

Louise Stead
Chief Executive Officer
Date 9th June 2021

Staff Report

Staff remuneration

The tables which follow show that the Trust's pay-bill has increased in 2020 - 2021 as a result of hiring more substantive staff in order to fill existing vacancies and reduce reliance on agency staff. Permanent pay spend has also increased as a result of nationally agreed pay awards.

Group			2020 - 2021	2019 - 2020
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	188,439	26,722	215,161	183,563
Social security costs	19,308	2,766	22,074	19,214
Apprenticeship levy	896	128	1,024	917
Employer's contributions to NHS pensions	28,954	3,122	33,125	30,133
Pension cost - other	123	17	140	98
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	445	-	445	126
Agency/contract staff	-	13,638	6,483	13,638
NHS charitable funds staff	-	-	-	-
Total gross staff costs	209,842	37,847	247,689	247,689
Recoveries in respect of seconded staff			-	-
Total staff costs	**£238,165**	**£37,847**	**£278,452**	**£247,689**
Of which: Costs capitalised as part of assets	1,879	-	1,879	465

Figure 22 **Staff costs**

Average number of employees (WTE basis)

Group			2020 - 2021	2019 - 2020
	Permanent number	Other number	Total number	Total number
Medical and dental	655	57	713	656
Ambulance staff	1		1	3
Administration and estates	872	110	982	1,005
Healthcare assistants and other support staff	616	135	751	682
Nursing, midwifery and health visiting staff	1,251	137	1,388	1,292
Nursing, midwifery and health visiting learners			0	-
Scientific, therapeutic and technical staff	743	39	781	750
Healthcare science staff			0	-
Social care staff			0	-
Other			0	8
Total average numbers	**4,138**	**478**	**4,616**	**4,396**
Of which: Number of employees (WTE) engaged on capital projects	41	6	47	7

Figure 23 **Average number of employees (WTE basis)**

Reporting of compensation schemes - exit packages 2020 – 2021

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£	Number	£	Number	£	Number	£
Exit package cost band (including any special payment element)								
<£10,000	-	-	9	34	9	34	-	-
£10,001 - £25,000	-	-	2	34	2	34	-	-
£25,001 - 50,000	1	37	1	27	2	64	-	-
£50,001 - £100,000	-	-	1	77	1	77	-	-
£100,001 - £150,000	-	-	2	231	2	231	-	-
£150,001 - £200,000	-	-	0	0	0	-	-	-
>£200,000	-	-	0	0	0	-	-	-
Total number of exit packages by type	**1**	**37**	**15**	**404**	**16**	**441**	-	-

Figure 24 **Reporting of compensation schemes - exit packages 2020 – 2021**

Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change. Exit costs in this note are the full costs of departures agreed in the year. Ill health retirement costs are met by the NHS Pension Scheme and are not included in the table.

Exit packages: other (non-compulsory) departure payments

2020 - 2021	Payments agreed	Total value of agreements
	Number	£000
Voluntary redundancies including early retirement contractual costs	3	240
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	1	5
Contractual payments in lieu of notice	7	30
Exit payments following Employment Tribunals or court orders	4	129
Non-contractual payments requiring HMT approval	-	-
Total	**15**	**404**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary		

Figure 25 **Exit packages: other (non-compulsory) departure payments**

Staff Report

Resourcing

Resourcing activity in the year has seen clinical staff increase from 3147 whole time equivalents (WTE) to 3289 WTE, an increase of 128 WTE clinical staff. This is despite the Community Nursing teams (approximately 70WTE nursing staff) transferring to Procare in July 2020.

	March 2021	March 2020
Consultants	251.2	247.2
Junior medical	412.4	384.1
Nursing, midwifery & health visitors	1332.0	1307.5
Dental	0	0
Scientific, therapeutic, and technical	896.8	824.2
Other clinical staff	382.6	384.1
Non-clinical staff	1043.6	964.1
Total	**4318.6**	**4111.1**

Figure 26 **Staff in post March 2021 v March 2020**

Staff gender distribution

A breakdown of the number of persons who were directors of the Trust, senior managers and other employees is shown below:

		March 2021	March 2020
Directors	Male	7	7
	Female	6	7
Senior managers	Male	144	133
	Female	304	269
Employees	Male	973	935
	Female	3497	3363

Figure 27 **Staff gender distribution**

Current Workforce

The Trust's workforce profile is more diverse than the local population, with a higher proportion of Black and Minority Ethnic (BAME) staff compared to both Guildford and the wider South East area (source: ONS Census 2011).

Trust workforce demographic data shows that approximately 76% of employees live within the Guildford postcode area; the higher BME representation is therefore not unexpected due to overseas doctor and nurse recruitment and staff commuting from a wider geographical area to come to work.

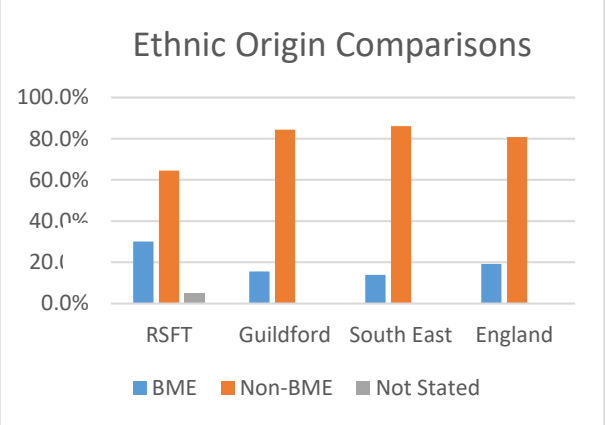


Figure 28 **Ethnic Origin Comparisons**

The individual ethnic classifications that have been grouped as Non-BAME and BAME categories have changed slightly from previous annual reports. This is to ensure consistency with the groupings defined by the Equality and Human Rights Commission.

Staff monitoring

The age, ethnic breakdown, staff gender distribution and those members of staff with disabilities is shown below:

	Year ended	31st March 2021		31st March 2020		31st March 2020		31st March 2019		31st March 2018		31st March 2017	
	Staff	Numbers	As a %	Numbers	As a %	Numbers	As a %	Numbers	As a %	Numbers	As a %	Numbers	As a %
Age	0-16	0	0	0	0	0	0	0	0%	0	0%	0	0%
	17-21	49	1.0	49	1.04	49	1.04	52	1.2%	43	1.1%	41	1.1%
	22+	4882	99.0	4665	98.96	4665	98.96	4,331	98.8%	3,883	98.9%	3,783	98.8%
Ethnicity	White	3179	64.5	3096	65.8	3096	65.8	2,998	68.4%	2,685	68.4%	2,662	69.6%
	Mixed	80	1.6	71	1.5	71	1.5	74	1.7%	69	1.8%	54	1.4%
	Asian or Asian Black	861	17.5	718	15.2	718	15.2	584	13.3%	504	12.8%	456	11.9%
	Black or Black British	151	3.1	134	2.8	134	2.8	113	2.6%	103	2.6%	93	2.4%
	Other	660	13.4	685	14.5	685	14.5	614	14%	565	14.4%	560	14.6%
Gender	Male	1124	22.8	1071	23.5	1071	23.5	936	21.4%	891	22.7%	855	22.4%
	Female	3807	77.2	3633	76.5	3633	76.5	3,447	78.6%	3035	77.3%	2,970	77.6%
	Transgender	0	0	0	0	0	0	0	0%	0	0	0	0%
Disability	Recorded disability	85	1.7	76	1.6	76	1.6	71	1.6%	54	1.4%	57	1.5%

Figure 29 **Workforce profile**

Staff Report

Sickness absence 1 January 2020 to 31 December 2020

The Trust's sickness rate for the calendar year 2020 of 3.85 per cent is below the NHS England average of 4.9 per cent* although is 0.75 per cent higher than the previous year. This increase is due to *Covid-19*, which resulted in elevated sickness absence during March, April and May 2020.

**source NHS Digital, NHS Sickness Absence Rates – November 2020*

Sickness absence rates are published by NHS Digital and can be accessed at https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

Equality, diversity and inclusion

In November 2019 the Trust published a revision to the Equality, Diversity and Inclusion strategy which had been in place since 2017. This revised strategy built upon much of the excellent work that was already in place, demonstrating the Trust's commitment to diversity and inclusion for our workforce.

The strategy outlines four key strategic pillars (linked to the Trust's values) which are underpinned by associated action plans:

- Pillar 1: Caring Together – Transforming the delivery of equality and diversity
- Pillar 2: Learning Together – Inspiring an inclusive culture through outstanding learning, education and development
- Pillar 3: Excelling Together – Developing an empowered, engaged and representative workforce
- Pillar 4: Continuously Improving– Strengthening legal, regulatory and commissioner response for equality and diversity.

The Trust's aim is not only to ensure we comply with statutory and regulatory responsibilities, but also to develop innovative, value adding and responsive equality, diversity and inclusion interventions which will support and grow the Trust's workforce whilst achieving the Trust's True North strategic objective of being a great place to work.

Over the past year the Trust has sought to move away from the single equality and diversity network group, which had representation from a range of staff groups across the Trust. The intention is to provide a focussed platform for those staff who share a particular protected characteristic, engaging with them to understand their unique perspective and giving them a clear voice in shaping the Trust's future.

There are now three separate networks in place with plans to introduce a fourth. The networks, with their associated protected characteristic are as follows:

- Race Equality - The BAME network
- Disability Equality - The Disability and Wellness Network (DAWN)
- Sexual Orientation Equality- The LGBTQI+ network (just launched)
- Gender Equality- The Women in Leadership network (to be launched 2021)

The networks work to promote a variety of events to support equality, diversity and inclusion across the workforce including:

- Black History Month
- Disability History Month
- LGBTQI+ History Month
- International Women's Day
- International Men's Day

In addition to these new networks, we have networks and support already in place for our staff with caring responsibilities, an Armed Forces staff network, menopause awareness and a Junior Doctors support group.

The Trust if committed to ensuring that equality, diversity and inclusion are key to everything we do at the Royal Surrey and we will continue to support and develop these networks as part of the Equality, Diversity and Inclusion Strategy.

The Trust strives to ensure a diverse, engaged and empowered workforce, and endeavours to reflect this at all levels within the Trust.

We have recently held elections for our Trust Board of Governors and were delighted to see a diverse field of candidates.

The Trust has reached out to National and Regional Equality, Diversity and Inclusion bodies, including WRES England, WDES England, NHS England / Improvement and NHS Employers, and has joined Surrey Heartlands and Kent, Surrey and Sussex Equality, Diversity and Inclusion networks to ensure that we can continuously improve by learning and sharing best practice.

Armed Forces

The Trust is signed up to the Armed Forces Covenant and to 'Step into Health' to provide support to our veterans and their families and to currently serving armed forces members who may be considering a career within the NHS.

The Trust has identified those members of staff who are serving, volunteers or have family members in the forces and are in contact with this group to address any additional support that they may need in order to help them. There is an Armed Forces and Veterans group that was due to have their first meeting just as *Covid-19* started so this group will now meet up virtually.

Gender pay gap reporting and actions

Gender pay gap legislation requires all employers with 250 or more employees to publish their Gender Pay Gap data as at 31st March 2020 by the 31st March 2021. The Trust report is provided on its website at https://www.royalsurrey.nhs.uk/equality-and-diversity.

Overall the Trust's mean gender pay gap has reduced over the last 12 months by 1.2% to 29.9%. The difference between the average hourly rate between male and female employees has decreased by 7%, from £8.17 in March 2018 to £7.57 in March 2019, which is a step in the right direction.

The report also identified that if the medical workforce is excluded, the gender pay gap reduced to £0.30p (1.9%), which highlights the biggest challenge. The pay gap in medicine is a national issue and there is currently a review being undertaken by the Department of Health.

The Trust is committed to ensuring an equitable workforce and has taken forward the following actions in the last twelve months as a result of the action plan as shared previously:

- Revised the Equality, Diversity and Inclusion Strategy and developed a robust action plan to support the strategy
- Introduced a new flexible working guide to support the use of flexible working across the workforce
- Developed new recruitment training, policies and processes with a focus on reducing the risk of direct or indirect discrimination
- Promoted the annual leave policy across the workforce (buying and selling of annual leave).

Going forward the Trust has identified six key actions to be taken forward over the next twelve months aimed at improving the gender pay gap, covering the areas of recruitment and retention, flexible working and promotion of shared parental leave.

Staff health and wellbeing

In 2019 the Trust launched the Staff Health and Wellbeing Strategy which developed the plan to meet the health and wellbeing needs of Trust staff - making sure we care for ourselves as we care for others. The strategy demonstrated the Trust's commitment to creating a healthy workplace environment where staff health and wellbeing is supported and celebrated. The aim is to create a culture in which staff feel empowered to prioritise the health and wellbeing needs of individuals and teams enabled by supportive leadership, policies and practices.

To achieve the strategic vision for staff health and wellbeing the strategic objectives are:

Staff Report

- To increase staff engagement in Trust-wide health and wellbeing initiatives
- To reduce staff mental health and musculoskeletal related sickness
- To monitor staff health and wellbeing data including bench marking progress and evaluating impact
- To establish a more responsive staff health and wellbeing approach, encourage change and innovation and improve existing practices where appropriate
- To encourage all divisions to take responsibility for staff health and wellbeing, sharing challenges, best practice and celebrating success.

We have made significant progress with this area especially during 20/21 where we accelerated our efforts during the pandemic to meet the basic needs of our staff including providing

- 5,000 fresh and healthy meals a week
- Staff Accommodation
- Single point of access model for mental health which supported over 500 staff members
- Developed the Team Times model to substitute Schwartz rounds
- Invested in TRiM (Trauma Risk Management)
- Secured increases in staff wellbeing spaces including 6 igloos and a wellbeing cabin
- Ran 144 virtual staff wellbeing sessions including mental health first aider training and suicide awareness
- Ran social isolation cafes for all shielders then offered all returners 121 counselling sessions.

The organisational response did not go unnoticed, with staff scoring us above the national average for our *Covid-19* response during our ICS Peakon pulse check. Our trust now leads the ICS workforce wellbeing group and through this partnership, have secured £70k as host employer to skill up our partners in wellbeing related training.

Promoting the health and wellbeing of staff across the Trust remains a key priority for the organisation and we are now focused firmly upon staff recovery.

We have also embedded our new Occupational Health service Team Prevent. This relatively new service aims to offer a rapid response, comprehensive and value adding service to both managers and staff. This was a great resource during the pandemic with a managers' hotline to support our trust.

The Trust is mindful of the link between high levels of health and wellbeing, staff engagement, and delivery of high-quality services to patients and in collaboration with the health and wellbeing committees and forums will continue to support and promote this work.

Expenditure on consultancy and exit packages

Between 1st April 2020 and 31st March 2021 the Trust spent £1,617k on consultancy within the HR department. For exit packages see Figure 25, Exit packages: other (non-compulsory) departure payments on page 56.

Off-payroll arrangements

The Trust only utilises the use of off-payroll arrangements where there are specific and immediate shortages or specific skill requirements that it cannot fulfil from the substantive workforce. By their nature, these arrangements are of a short, definitive period with clearly defined objectives and outcomes. In all circumstances the Trust complies with HM Revenue and Customs and NHS Improvement rules and procedures.

The following table details all off-payroll engagements as of 31st March 2021, for more than £245 per day and that last for longer than six months:

Number of existing engagements as of 31st March 2021 **Of which:**	**1**
Number that have existed for less than one year at the time of reporting	0

Number that have existed for between one and two years at the time of reporting	1
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Figure 30 **Off-payroll engagements**

All interim staff have been reviewed in line with IR35 requirements and appropriate assurances have been sought.

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

Number of new engagements, or those that reached six months in duration between 1 April 2020 and 31 March 2021 Of which:	**0**
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Figure 31 **Interim staff reviewed in line with IR35**

The following table details off-payroll engagements of board members, and/ or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	**0**
Number of individuals that have been deemed 'Board members and/ or senior officials with significant financial responsibility'. This figure includes both off-payroll and on-payroll engagements	24

Figure 32 **Staff with significant financial responsibility**

Staff engagement

As a major local employer, the Trust is committed to the principles of partnership working and staff engagement.

The Trust strongly believes that involving its staff in decision making processes draws upon their knowledge and expertise from their work environment to generate ideas that will help develop and modernise NHS services.

The Trust has a range of mechanisms to involve staff in making decisions about future developments. For example, the Trust has a Staff Council which meets regularly. It provides an effective method of regular consultation between managers and staff representatives and is intended to form the basis of a constructive and cooperative approach towards achieving corporate goals.

Mechanisms in place to monitor and learn from staff feedback include:

- Business planning, involving managers and staff
- The clinical governance infrastructure, which enables multidisciplinary discussion of clinical issues and service improvement
- Regular face-to-face update briefings from the Chief Executive Officer, executive director management briefings through which key points are cascaded to teams and departments, with the opportunity for staff to ask questions and raise concerns
- A weekly e mail bulletin, the Huddle, to which all staff are encouraged to contribute

Staff Report

- A well-used intranet which includes departmental mini-sites and a live news feed incorporating a comments section allowing staff to feedback on items of staff news.
- Staff following the Trust on its official Facebook and Twitter sites and contributing to exchanges as appropriate.

Staff Survey results

The 2020 Staff Survey results were published on 11th March. A record number of 2,168 staff participated in the survey this year and the Trust achieved an improved response rate of 48% compared to 45% the previous year. Staff completed the survey in November 2020 and two extra questions were included, relating to the Trust's response to *Covid-19*.

Overall these were exceptionally strong results which show a significant improvement in terms of our benchmarked performance against comparator Trusts. We were ranked third out of 59 comparator Trusts and we are now achieving staff survey results which are amongst the very best in the NHS.

Key questions relating to the percentage of staff 'recommending the Trust as a place to work' (74%) and 'care of patients/service users is organisation's top priority' (87%) are representative of best practice scores.

The table below details the five most improved scores as well as the top 5 scores compared to the average benchmark. These results show that Trust is making strong progress in terms of becoming an 'Employer of Choice' and delivering high quality patient care.

2020 score	Top five most improved scores
80%	Q16c. Organisation takes action to ensure errors/near misses/incidents are not repeated
62%	Q4f. Have adequate materials, supplies and equipment to do my work
58%	Q11d. In the last 3 months, have not come to work when not feeling well enough to perform duties.
41%	Q4g. Enough staff at organisation to do my job properly
36%	Q11a. Organisation definitely takes positive action on health and well-being

2020 score	Top five scores (compared to average)
84%	Q18d. If friend/relative needed treatment would be happy with standard of care provided by organisation
70%	Q16a. Organisation treats staff involved in errors/near misses/incidents fairly
54%	Q9b. Communication between senior management and staff is effective
44%	Q9d. Senior managers act on staff feedback
44%	Q9c. Senior managers try to involve staff in important decisions

Figure 33 **Staff survey results**

The table below lists the bottom 5 scores.

2020 score	Bottom five least improved scores
57%	Q11c. In the last 12 months, have not felt unwell due to work related stress
64%	Q12d. Last experience of physical violence reported
74%	Q11e. Not felt pressure from manager to come to work when not feeling well enough
78%	Q2c. Time often/always passes quickly when I am working
91%	Q15a. Not experienced discrimination from patients/service users, their relatives or other members of the public

2020 score	Bottom five scores (compared to average)
39%	Q10c. Don't work any additional unpaid hours per week for this organisation, over and above contracted hours
60%	Q10b. Don't work any additional paid hours per week for this organisation, over and above contracted hours
64%	Q12d. Last experience of physical violence reported
75%	Q11f. Not felt pressure from colleagues to come to work when not feeling well enough
23%	Q6a. I have realistic time pressures

Figure 34 **Least impressive staff survey results**

Next steps

The next steps are to commence the communications and engagement activity and Trust-wide communications, highlighting the key themes from the staff survey, the role of each and every manager and team in identifying and addressing their local results and focusing on the Trust-wide actions around:

- Work related stress
- Attending work when not fit enough to do so
- Reducing physical violence
- Reducing bullying, harassment or abuse from patients, their relatives or members of the public or colleagues
- Retention.

Staff Report

Trade Union Facilities Time returns

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 the following tables are published:

Number of relevant trade union officials 2020 - 2021: 13

Percentage of working hours spent on facility time	Number of employees 2020 - 2021
1-55%	**13**
55%-99%	**0**
100%	**0**

Figure 35 **Trade Union officials**

Percentage of working hours spent on facility time 2020 - 2021: 13

Percentage of working hours spent on facility time	Number of employees 2020- 2021
1-55%	13
55%-99%	0
100%	0

Figure 36 **Percentage of working hours**

Provide the total cost of facility time	£10,800
Provide the total cost of pay bill	**£278,452**
Provide the % of the total pay bill spent on facility time (total cost of facility time / total pay bill) x 100	0.0038%

Figure 37 **Total cost of facility time**

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours calculated as: (total hours spent on trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	83%

Figure 38 **Percentage of total paid facility time**

Recognising our Royal Surrey Stars

Traditionally our Royal Surrey Family comes together for an annual awards ceremony to recognise individual staff members who have gone above and beyond for our patients, organisation and colleagues.

Unfortunately, in 2020, due to the *Covid-19* pandemic, this was not to be. Gathering in person at an awards evening was impossible, as was the idea of singling out individuals for praise among the incredible effort of the whole Royal Surrey Family. Our Chair and Chief Executive wrote to every staff member at their home address, thanking them for their work and offering an additional day of annual leave as a gesture of recognition and thank you.

In lieu of an awards event, a virtual event was held for our staff which included moving reflections from colleagues about their experiences over the past year. These included a beautiful poem from Senior Sister of our Guildford Ward, Elaine Walsh, who reflected upon being there for *Covid-19* patients when their families were unable to visit, as well as a poem by Nadine Collins, a Consultant Clinical Scientist, about the challenge of setting up *Covid-19* testing in just three days.

Valerie Oxford, our Information Governance Assistant shared some of her fabulous artwork saying it was a message that resonated because of the ethos of our Royal Surrey Family: "helping one another through thick and thin, about someone always being there when we need a helping hand."

We also celebrated the amazing teamwork of our staff through gathering and highlighting hundreds of thank you messages to one another.

Here are a selection of some of these messages sent in by staff members to thank teams across the Trust:

Haslemere Minor Injuries Unit

Thank you for working numerous extra hours, extended opening hours to later evenings and Saturdays at a moment's notice, to alleviate the pressure and reduce numbers attending Royal Surrey during the pandemic.

ICU Team

Thank you to every member of the ICU team, including the nurses, doctors, physios, dieticians, pharmacists, cleaners, psychologist, receptionists, support and admin staff. The team learnt new ways of treating patients and updating protocols almost daily. I don't think it is possible to be more proud of the ICU team and how amazingly well they have coped during the last year.

Staff Report

Covid-19 Clinical Research team

Thank you for working all those hours to give our patients an opportunity to participate in research to fight *Covid-19*. You all should all hold your head up high and know you have contributed to finding the answer.

The Communications Team

Thank you for going above and beyond to ensure that all the staff and visitors are given the information they need during the pandemic.

Haslemere inpatients nursing staff

Thank you for being an amazing team, supporting each other and every patient, delivering high quality care. They have been brilliant at sticking together through *Covid-19* and keeping one another sane.

Day Surgery Unit

Thank you for turning into a robotic surgery suite during *Covid-19* and coming out the other side with flexibility.

Infection Control Team

Thank you to members of the Infection Control Team who have shown commitment, dedication and resilience to ensure the safety of all our patients and staff. This small team selflessly changed working patterns to provide a seven day a week service.

Acute Oncology Team

Thank you for your continued hard work and dedication supporting unwell Oncology patients, particularly during the *Covid-19* pandemic where patient anxieties are high, and for using initiative to keep these vulnerable patients safe.

Radiology Ultrasound team

Thank you to all those who have continued to work and support our team at all our sites of Royal Surrey NHS Foundation Trust, including Haslemere and Cranleigh Village Hospital. The team have really pulled together even though there are so many anxieties and pressures to deal with.

The cleaning team at Haslemere Hospitals

Thank you for maintaining cleanliness in X-ray detail.

Surgical Short Stay

Thank you for being flexible and willing to manage a whole range of different patients you would not normally be asked to care for.


Safe
Human
Team
proud
Flexible
Daily Briefings
Mental Health
Support
Royal Surrey
Compassion
Kindness
good PPE
Human
Safe
Project Wingman
engaged
Great job
Mental Health
leadership
Food
Valued
Free Parking
leadership
Reassured
Appreciated
Family
HWB
Food
HR
love
Family
Protected
Team time
Line Manager
Information
Isolation Cafe
Infection Control fab
creative
best place
HR
HWB
Safe
Food
Appreciated
Project Wingman
communication
Brave
caring for staff
Accomodation
innovative
compassion
proud
Welfare
Innovative
Free Parking
Community
Flexible
Team
Protected
Valued
Food
Brave
Welfare
HWB
Family
Great job
HR
love
Appreciated
Reassured
Wingman
Great job
Mental Health
leadership
Food
Valued
Human
Safe
Kindness
good PPE
engaged
Project Wingman
There for each other
Family
Welfare
Royal Surrey
Compassion
Support
Daily Briefings
Flexible
Safe
Human
Team
proud
HR
best performing trust
Support
leadership
Line Manager
creative
Brave
caring for staff
communication
HR
staff wellbeing
Protected
Line Manager
Information
Isolation Cafe
Infection Control fab
Team time
HWB
Food
Safe
HR
creative
best place
Appreciated
Project Wingman
HWB
good PPE
Safe
Human
Kindness
Project Wingman
engaged
There for each other
Valued
Human
Family
Welfare
Royal Surrey
Compassion
Support
Daily Briefings
Mental Health
proud
Flexible
Safe
Human
Team
proud
HR
best performing trust
Support
leadership
Line Manager
creative
Brave
caring for staff
communication
HR
staff wellbeing
Protected
Line Manager
Information
Isolation Cafe
Infection Control fab
Team time
HWB
Food
Safe
HR
creative
best place
Appreciated
Project Wingman
HWB
good PPE
Safe
Human
Kindness
Project Wingman
engaged
There for each other
Valued
Human
Family
Welfare
Royal Surrey
Compassion
Support
Daily Briefings
Mental Health
proud
Flexible

NHS Foundation Trust Code of Governance

Board committees, membership and roles from April 2020 to March 2021

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

	Audit	Remuneration
Chair of Committee	Andrew Prince	David Hicks
Non-executive members	Martin Hedley Gaenor Bagley	Andrew Prince Gaenor Bagley Martin Hedley Lakh Jemmett Howard Webber Sue Sjuve
Executive members in attendance	Ross Dunworth Jo Mountjoy Bob Peet	Louise Stead Louise Hall
Total number of executive and non-executive directors (including the Chair)	Six (three non-executive and three executives)	Seven (seven non-executives)
Number of meetings per year	Six	Four

Figure 39 **Statutory Board committees, membership and roles**

Attendances at statutory committee meetings

Name	June 2020	July 2020	September 2020	November 2020	January 2021	March 2021
Andrew Prince	✓	✓	✓	✓	✓	✓
Martin Hedley	✓	✓	✓	✓	✓	✓
David Hicks	✓	Apologies	✓	✓	✓	✓
Gaenor Bagley	Apologies	✓	✓	✓	✓	✓
Howard Webber (substitute)	✓					

Figure 40 **Audit Committee Meeting Attendance 2020 - 2021**

Name	May 2020	August 2020	October 2020	January 2020
David Hicks	✓	✓	✓	✓
Gaenor Bagley	✓	✓	✓	✓
Martin Hedley	✓	✓	✓	Apologies
Sue Sjuve	✓	✓	✓	✓
Lakh Jemmett	✓	Apologies	✓	✓
Andrew Prince	✓	Apologies	✓	Apologies
Howard Webber	✓	✓	✓	Apologies

Figure 41 **Remunerations Committee Meeting Attendance 2020 – 2021**

Council of Governors

The Trust has a Council of Governors which comprises elected and appointed governors of the Trust.

The Board of Directors reports to the Council of Governors on the performance of the Trust and its progress against agreed strategic and corporate objectives and consults on its future direction. Governors report matters of concern raised at their local health event constituency meetings to their counterparts and to the directors. Members of the public are given the opportunity to ask questions addressed to the governors, directors or any other staff members in attendance at the local health events or Council of Governors' meetings.

All Board Members (executive directors and non-executive directors) are invited to attend the Council of Governors' meetings in order to gain an understanding of the views of the Trust's governors and members.

Additionally, others may attend for the purpose of providing assurance or to report on progress of any key matters of interest.

Governors are encouraged to canvass opinions and concerns of the members they represent at a series of public constituency meetings (promoted as 'health events'), particularly on the Trust's plans, priorities and strategies. They may also canvass opinion at other Trust events, both formal and informal, and via their own initiatives and networks. Members' views are fed back to the Board at quarterly Council of Governors meetings or at other meetings with directors, or directly via the Chair or Chief Executive Officer's office if appropriate.

The Council of Governors also hold bi-annual strategy meetings with the Board to develop the relationship between the groups and brief/ update the governors on key issues, developments or other matters requiring the attention of the Council of Governors. This informal setting allows governors to discuss and challenge performance and the priorities for the organisation and include reference to the key risks the Trust faces and an explanation as to how they are being managed.

The Board of Directors receives feedback on the views of governors by:

- Attending the Council of Governors meetings, which meets quarterly
- Attending the local health event meetings
- The Board of Directors meeting informally with the Council of Governors at private strategy workshops, which encourage more interaction and feedback between executive and non-executive directors and governors
- The Chairman hosts a monthly private discussion forum for governors.

Role of the governors

The Council of Governors' role is to influence the strategic direction of the Trust so that it takes account of the needs and views of the members, the local community and key stakeholders, to hold the Board to account on the performance of the Trust, to help develop a representative, diverse and well-involved membership, and to help make a noticeable improvement to patient experience. It meets at various private meetings and at committees to discuss business. The Council of Governors also meets to carry out other statutory and formal duties, including the appointment of the Chair and non-executive directors of the Trust and the appointment of the external auditor.

In the event of a dispute or disagreement between the Council of Governors and Board of Directors, in the first instance the Chair would endeavour to resolve this. Should a resolution not be reached, then a disputes resolution process, as described in the Trust Constitution would be engaged.

In addition to their duty to hold the non-executive directors, individually and collectively, to account for the performance of the Board of Directors, the Council of Governors is responsible for:

- Appointing or removing the Chair and the other non-executive directors

NHS Foundation Trust Code of Governance

- Approving an appointment (by the non-executive directors) of the Chief Executive Officer
- Deciding on the remuneration and allowances, and the other terms and conditions of office, of the Chair and the other non-executive directors
- Appointing or removing the Trust's auditor
- Appointing or removing any auditor appointed to review and publish a report on any other aspect of the Trust's affairs
- Approving significant transactions
- Approving any changes to the Trust's Constitution.

To allow the governors to exercise their statutory duties, the Board of Directors is responsible, among other things, for ensuring the Council of Governors:

- Receives the Annual Report and Accounts
- Is consulted on the content of the Quality Account
- Is presented with other management reports detailing Trust performance in all areas: clinical, operational and financial
- Is able to provide its views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning
- Is able to engage with each governor's specific member constituents or, in the case of an appointed governor, to do so with members of the representing organisation.

During 2020 - 2021 the Council of Governors were involved with the appointments process for the one new non-executive director.

For a schedule of types of decisions reserved for each of the boards and those that are delegated to the executive management of the Board of Directors, refer to the Royal Surrey NHS Foundation Trust Constitution on the Trust website: royalsurrey.nhs.uk.

Membership of the Council of Governors

In 2020 - 2021 the membership of the Council of Governors totalled 26 governors. Seven non-executive directors (including the Chair) and six executive directors (including the Chief Executive Officer) also attended the Council of Governors' meetings by invitation, see Figure 43 and 44 below.

Lead Governor

The publicly elected governors select one public governor from their group to be the Lead Governor of the Council of Governors. The Lead Governor coordinates any communication that might, in extreme circumstances, be necessary between NHSI formerly Monitor (the independent regulator) and the other governors and acts as a main point of contact for the Chair and the Senior Independent Director. From November 2020 Dr Jan Whitby, public governor for Woking, was elected as the Lead Governor for a further year.

Composition of the Council of Governors

As required under the NHS Act 2006, the majority of the Trust's governors are publicly elected. Public governors nominate themselves as candidates for election within their local constituencies, which are based on local authority ward boundaries. As at 31st March 2021, there were 15 elected public governors in post.

Staff governors are elected by way of self-nomination and constituency voting. As at 31 March 2021, there were five staff governors in post.

Stakeholder governors are appointed by partnership or stakeholder organisations. As at 31 March 2021, there were five stakeholder governors in post.

The number of governor seats in the constituencies for Royal Surrey NHS Foundation Trust as at 31st March 2021 is detailed below:

Constituency	No
Guildford: Public	3
Waverley: Public	3
Woking: Public	2

Constituency	No
East Hants: Public	2
Mole Valley: Public	2
Elmbridge: Public	1
Chichester: Public	1
Rest of England	2

Figure 42 **Governor constituencies**

Governor elections

Throughout January and February 2021, Royal Surrey NHS Foundation Trust held elections for public governors in four public constituencies (Guildford, Woking, Chichester and the Rest of England) and in two of the staff constituencies for NHS Medical and Dental and Nursing and Midwifery, in accordance with its Constitution.

Nominations for elections opened on 8 January 2021. Elections ran from 12 February 2021 to 4 March 2021 and results were declared on 5 March 2021.

Public governors

In total there are 16 public governors including two governors from the Rest of England category (Outer Catchment Area). These 16 governors are elected across eight constituencies:

Constituency	Governor	Date elected (recent tenure)	End of tenure	Term of office
Guildford	Daniel Bishop	4 Mar 2021	3 Mar 2024	1st
Guildford	Gillian Rix	1 Feb 2018	31 Jan 2021	1st
Guildford	Ray Rogers	1 Oct 2018	30 Sep 2021	3rd
Guildford	Jim Blake	2 Oct 2018	1 Oct 2021	3rd
Waverley	Robert Knowles	1 Oct 2018	30 Sep 2021	1st
Waverley	Stephen Hayward	1 Oct 2018	30 Sep 2021	1st
Waverley	Joan Juniper	1 Oct 2018	30 Sep 2021	2nd
Woking	Carol Magras	4 Mar 2021	3 Mar 2024	1st
Woking	David Whitby	1 Feb 2018	31 Jan 2021	1st
Woking	Janice Whitby	1 Oct 2018	30 Sep 2021	4th
East Hants	Valerie Kubale	6 Mar 2020	5 Mar 2023	3rd
East Hants	Jerry Ogilvie	1 Jan 2020	31 Dec 2023	2nd
Mole Valley	Jenny Partridge	6 Mar 2020	5 Mar 2023	1st
Mole Valley	Joan Howell-Jones	1 Nov 2018	30 Oct 2021	2nd
Elmbridge	Katia Ray	19 Sept 2018	17 Sep 2021	1st
Chichester	Vacant			
Rest of England	David Bentley	4 Mar 2021	3 Mar 2024	1st
Rest of England	Geoff Hill (removed September 2020)	6 Mar 2020	5 Mar 2023	1st
Rest of England	David Chuter	18 Sept 2018	17 Sep 2021	1st

Figure 43 **Elected public governors as at 31 March 2021**

NHS Foundation Trust Code of Governance

Staff governors

Royal Surrey's elected staff governors as at March 2021:

Constituency	Governor	Date elected (recent tenure)	End of tenure	Term of office
Royal Surrey Medical and Dental	San Sunkaraneni	4 Mar 2021	3 Mar 2024	1st
Royal Surrey Nursing and Midwifery	Reena George	4 Mar 2021	3 Mar 2024	1st
Royal Surrey Nursing and Midwifery	Sue Herson	1 Feb 2018	31 Jan 2021	1st
Royal Surrey Admin and Ancillary	Jacqueline Bean	1 Sept 2019	1 Sep 2022	1st
Royal Surrey Allied Health and Technical	Monika Mundy	18 Sept 2018	17 Sep 2021	1st

Figure 44 **Elected staff governors as at 31 March 2021**

Stakeholder governors

In accordance with the Royal Surrey Constitution, the appointed governors from Surrey County Council, Guildford Borough Council, Waverley Borough Council, the University of Surrey and the Cancer Charity partner will continue until their term in office ceases:

Constituency	Governor	Date elected (recent tenure)	End of tenure	Term of office
University of Surrey	Professor David Blackbourn	1 Aug 2020	31 Jul 2023	1st
University of Surrey	Professor Helen Griffiths	1 Feb 2019	31 Jan 2022, resigned 31 Jul 2020	1st
Guildford Borough Council	Councillor Fiona White	11 Jul 2019	17 Jul 2022	1st
Surrey County Council	Councillor Matt Furniss	1 May 2018	20 Apr 2021	1st
Waverley Borough Council	Mark Merryweather	11 Jul 2019	14 Jul 2022	1st

Figure 45 **Stakeholder governors appointed as at 31st March 2021**

Attendance at Council of Governors meetings

Individual attendance at the Council of Governors' meetings, which are held in public, are detailed in the table below. There were five meetings held in 2020 - 2021.

Constituency	Governor	Meetings attended
Public: Guildford	Jim Blake	5/5
Public: Rest of England	David Chuter	5/5
Public: Mole Valley	Joan Howell-Jones	4/5
Public: Waverley	Joan Juniper	5/5
Public: Waverley	Robert Knowles	3/5
Public: Waverley	Stephen Hayward	5/5
Public: East Hants	Valerie Kubale	4/5
Public: East Hants	Jerry Ogilvie	5/5
Public: Elmbridge	Katia Ray	5/5
Public: Guildford (elected March 2021)	Daniel Bishop	1/1
Public: Guildford	Gillian Rix	4/4
Public: Guildford	Ray Rogers	5/5
Public: Woking (elected March 2021)	Carol Magras	1/1
Public: Woking	David Whitby	4/4
Public: Woking (Lead Governor)	Dr Janice Whitby	5/5
Public: Rest of England (removed Oct 2020)	Geoff Hill	2/3
Public: Mole Valley	Jenny Partridge	5/5
Staff: Admin/ Ancillary	Jaqueline Bean	3/5
Staff: Medical & Dental (elected March 2021)	San Sunkaraneni	1/1
Staff: Nursing & Midwifery	Sue Herson	4/4
Staff: Nursing & Midwifery (elected March 2021)	Reena George	1/1
Staff: AHP/ Tech	Monika Mundy	5/5
Staff: Others (elected March 2021)	Bob Monteath	1/1
Appointed: University of Surrey	Prof Helen Griffiths	1/1
Appointed: University of Surrey	Prof David Blackbourn	4/4
Appointed: Guildford BC	Cllr Fiona White	3/5
Appointed: Surrey CC	Cllr Matt Furniss	3/5
Appointed: Waverley BC	Mark Merryweather	5/5
Appointed: Cancer Charities	Martin Read	5/5

Figure 46 **Governors' attendance at the Council of Governors meetings in the year ended 31st March 2021**

NHS Foundation Trust Code of Governance

Board members attend Council of Governance meetings by invitation and are not required to attend. Attendance by executive and non-executive directors at the Council of Governors' meetings for the year ended 31st March 2021 is detailed below:

Director	Role	Meetings Attended
Sue Sjuve	Chair; Non-executive Director	4/4
Andrew Prince	Deputy Chair; Non-executive Director	4/4
Gaenor Bagley	Non-executive Director	3/4
Howard Webber	Non-executive Director	1/4
Martin Hedley	Non-executive Director	4/4
Lakh Jemmett	Non-executive Director	3/4
David Hicks	Non-executive Director	4/4
Louise Stead	Chief Executive Officer	4/4
Ross Dunworth	Director of Finance	1/4
Marianne Illsley	Medical Director	0/4
Jo Mountjoy	Chief Nurse	0/4
Bob Peet	Chief Operating Officer	1/4
Louise Hall	Director of Human Resource and Organisational Development	1/4

Figure 47 **Attendance by executive and non-executive directors at the Council of Governors meetings for the year**

Training

New and prospective governors receive induction training from the Chairman and company secretary. Additional training opportunities arise from NHS Providers and other network providers such as GovernWell.

The Council of Governors regularly received updates from the Board of Directors on the performance of the organisation and participated in the refresh of the strategy during strategy sessions.

Nominations Committee

The Nominations Committee is a committee of the Council of Governors. Its purpose is to:

- Satisfy itself that proper procedures are in place for the appraisal of non-executive directors (including the chairman) in accordance with NHSI's NHS Foundation Trust Code of Governance and current best practice
- Participate in the recruitment of non-executive directors (including the Chairman) with the Board of Directors
- Recommend to the Council of Governors:
- The appointment of the chairman and non-executive directors
- The terms of appointment and appropriate remuneration of the chairman and non-executive directors.

The Nominations Committee comprised:

- Seven governors, and
- The Trust chair.

The Chief Executive Officer, Director of HR, Company Secretary and or other Trust staff and Board members may be invited to attend all or part of the Nominations Committee meetings. In the year ended 31 March 2021, the Nominations Committee met four times on 21st May 2020, 16th July 2020 and 18th February 2021 and 18th March 2021.

Role of the Nominations Committee

The Nominations Committee is responsible for identifying and nominating members of the Board for approval by the Council of Governors and advising upon and overseeing their contractual arrangements. This involves:

- Regularly reviewing the structure, size and composition (including the skills, knowledge and experience) required of non-executive directors of the Board of Directors compared to its current position and make recommendations to the Council of Governors with regard to any changes
- Giving full consideration to succession planning for all non-executive directors in the course of its work, taking into account the challenges and opportunities facing the NHS Foundation Trust, and what skills and expertise are therefore needed on the Board of Directors in the future
- Being responsible for identifying and nominating, for the approval of the Council of Governors at general meeting, candidates to fill non-executive director vacancies, including the position of Chair, as and when they arise.

The executive and non-executive directors are responsible for assessing the size, structure and skill requirements of the Board of Directors and for considering any changes or new appointments as necessary. If a need is identified for a non-executive director the Nominations Committee will produce a job description and person specification, decide if external recruitment consultants are required to assist in the process and if so instruct the selected agency, shortlist and interview the candidates. At the conclusion of the selection process, the Nominations Committee then recommends the selected candidate to the Council of Governors for appointment.

Non-executive directors are appointed for a three-year term in office. A non-executive director can be re-elected for a second three-year term in office on an uncontested basis, subject to the recommendation of the Chairman on behalf of the Nominations Committee and the Board, followed by the approval of the Council of Governors.

A non-executive director's term in office can be extended beyond the second term on an annual case-by-case basis by the Council of Governors, subject to a formal recommendation from the Chair, satisfactory performance and consideration of the needs of the Board, without having to go through an open process. The removal of the Chair or a non-executive director requires the approval of three-quarters of the members of the Council of Governors.

The Chair, other non-executive directors and the Chief Executive Officer are responsible for the appointment of executive directors. The Chair and the other non-executive directors are responsible for the appointment and removal of the Chief Executive Officer whose appointment requires the approval of the Council of Governors.

The Nominations Committee met four times during the year ended 31 March 2021 to consider proposed changes to board level positions and roles.

NHS Foundation Trust Code of Governance

Council of Governors	Constituency	May 2020	July 2020	February 2021	March 2021
Sue Sjuve	Chair, non-executive Director	✓	✓	✓	✓
Joan Juniper	Waverley: Public			✓	✓
Martin Read	Cancer Charities: appointed		✓	✓	✓
Jaqui Bean	Ancillary & Admin: Staff	✓			
Katia Ray	Elmbridge: Public	✓	✓	✓	✓
Janice Whitby	Woking: Public (lead governor)	✓	✓		✓
Jim Blake	Guildford: Public	✓	✓	✓	✓
Mark Merryweather	Waverley Borough Council: Appointed	✓	✓	✓	✓

Figure 48 **Nomination Committee attendances**

During the year, and with delegated authority from the Council of Governors, the Nominations Committee has overseen the process for the appointment of two new non-executive directors for 2021 and the re-appointment of one non-executive director, making recommendations to the full Council.

Performance evaluation of the Board, its committees and directors, including the Chair

The Board and all its committees undertake an annual self-assessment exercise to assess their performance and effectiveness and these are reported to the Board and the Council of Governors. Board members undergo annual appraisals as part of the annual appraisal cycle with the Chief Executive Officer being appraised by the Chair and the Chair being appraised by the Senior Independent Director. The non-executive appraisal process is reported to the Nominations Committee.

These functions are carried out by the Remuneration and Nominations Committees. The roles of these committees are fully detailed in the Remuneration Report earlier in this Annual Report.

Audit Committee

Role of the Audit Committee

The Audit Committee is responsible to the Board of Directors for reviewing the adequacy of the governance, risk management and internal control processes within the Trust. In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit. The Audit Committee also obtains assurance from other external agencies about the Trust's procedures, such as from the Care Quality Commission. More specifically, the Audit Committee:

- Reviews and discusses the Annual Report and Accounts with the external auditor before the Board of Directors approves and signs off the financial statements
- Ensures there is an effective internal audit function established by management that meets the mandatory NHS internal audit standards produced by the Department of Health, and reviews the work and findings of the internal auditor
- Agrees the schedule of internal audit reviews, receives the relevant reports and follows up on issues raised
- Receives and monitors policies and procedures associated with countering fraud and corruption. An independent local counter-fraud service was provided by Grant

Thornton UK LLP who produce a regular counter-fraud progress report

- Reviews arrangements by which staff may raise confidential concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety and other matters
- Provides an annual overview of the Trust's systems for ensuring compliance with CQC standards.

Membership

In order to maintain independent channels of communication, the members of the Audit Committee meet in private at least once a year with the internal and external auditors (both individually and collectively). This provides the internal and external auditors with an opportunity to raise any issues which may arise without the presence of management.

External auditor – KPMG LLP

The Council of Governors together with the Audit Committee agree the criteria for appointing, re-appointing and removing external auditors.

KPMG LLP was appointed by the Council of Governors to be the Trust's external auditors for a three-year period commencing 22 December 2017 with an option to extend for an additional two years. All external audit services were re-tendered towards the end of the financial year. KPMG LLP were successful in its open market tender and were re-appointed as the Trust's external auditor at the Council of Governors Meeting in March 2021 for a three-year period commencing 1 April 2021 with an option to extend for an additional five years at the discretion of the Council of Governors.

Internal auditor

During the year ended 31st March 2021, the Trust's internal audit function was carried out by BDO LLP, an independent business assurance provider delivering services to the public and private sectors.

Auditor independence and non-audit services

As a minimum, the Audit Committee reviews and monitors the external auditor's independence and objectivity. The Audit Committee has a policy by which non-audit services and fees provided by the external auditor are approved. However, in the financial year 2020 - 2021 the Trust engaged KPMG LLP to provide services to cover the work of its two subsidiary companies over and above the undertaking of external audit of financial statements.

KPMG LLP is also the external auditor of the Royal Surrey's Charitable Funds of which the Trust Board of Directors is the corporate trustee. The fees in respect of this engagement in 2020 - 2021 were £4.5k (excluding VAT).

The Chair of the Audit Committee confirms the independence of the external auditors to the Council of Governors at its meeting where the Annual Report and Accounts are presented and also reports any exceptional issues to the governors during the course of the year.

Main activities of the Audit Committee during the year ended 31st March 2021

The Audit Committee met on six occasions during the year ended 31 March 2021. At its meeting in June 2020, the Audit Committee received the annual audit report from the Trust's external auditors KPMG LLP and recommended the Annual Report and Accounts 2019 - 2020 to the Board of Directors for final approval. Later in the year, the Audit Committee reviewed and recommended the Charitable Funds Annual Report and Accounts 2019 -20 for approval to the Board of Directors.

During the course of the year the Audit Committee received a number of audit reports from the internal auditors, BDO LLP. These ranged from financial control audits (key financial systems-accounts payable) to audits on aspects directly relating to patient care (medical staffing engagement).

Other audits included:

- *Covid-19* Expenditure
- Divisional Governance for Oncology

NHS Foundation Trust Code of Governance

- Freedom to Speak Up Guardians
- Statutory and Mandatory Training.

Following the year end, the Audit Committee considered the draft Annual Report and Accounts 2020 - 2021 and received the ISA 260 Report from KPMG LLP.

During the year the Audit Committee considered the following risks identified by external audit:

- Revenue recognition
- Management override and control
- Expenditure recognition
- Valuation of land and building assets.

During 2020- 2021, in addition to the executive and non-executive directors, the Trust's internal and external auditors attended Audit Committee meetings. Additionally, other relevant managers and senior managers from the Trust attended meetings to provide a deeper level of insight in certain key issues and development within their respective areas of expertise.

Policies on fraud and corruption

The Trust has a suite of policies available to all staff on the intranet. During the year the Trust commissioned Grant Thornton UK LLP to provide regular fraud awareness training and staff communication tools and support investigation and policy reviews.

Membership

During the year the Trust developed its Governors Membership Strategy to promote good relationships, communication and collaboration with the wider community.

Membership comprises individuals who satisfy at least one of the following:

- Any resident of England over the age of 14, living in one of the constituencies within the Trust's core catchment area or from the 'Rest of England' constituency
- Staff: any member of staff who has a permanent contract of employment or has worked at the Trust for twelve months or worked continuously for the Trust for a period of at least twelve months and will include academic staff employed by a University, volunteers, or staff employed by independent contractors or a wholly owned subsidiary.

Members are represented on the Council of Governors by the public, patients, carers, staff and other stakeholder groups. Public and staff governors are elected from and by the Trust's membership, which means that members have the opportunity to influence significantly the organisation's future strategy. This ensures the Trust is directly accountable to its local community. The Trust is constantly exploring through its Membership and Community Engagement Group the potential for wider stakeholder engagement.

Members can contact the governors and directors though the governors' email account on rsc-tr.Governors@nhs.net

Major targets and actions to develop membership

A number of Membership and Governors Engagement Goals were agreed as part of the strategy which included:

- Reconnecting with members and re-establishing effective membership, communication and engagement
- Increasing membership numbers by 1,300 with particular focus on specific groups identified in the strategy (more males, 17 to 21 year- olds, ethnic groups such as Pakistani, white other)
- Improving engagement and two-way dialogue with members
- Raising the profile of Trust governors and involving them more in the membership programme
- Increasing the number of members' email addresses held by the Trust to 50% in the next twelve months.

In pursuit of the strategy a number of activities were undertaken and proposed which include:

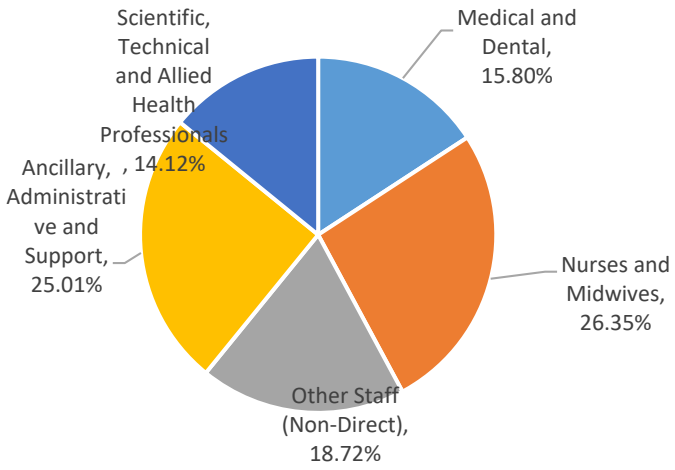
- A new monthly digital e-news letter sent out to all members and stakeholders
- Quarterly printed Royal Surrey Supporter magazine with dedicated membership and governors page
- Improved use of existing channels for membership and governor communications e.g. weekly posting on Trust Facebook and Twitter, monthly posting to local community groups on Facebook
- Pilot paid advertising on social media to target key groups.

At 31st March 2021 the Trust had 7,784 public members and 6,202 staff members giving an overall total of 13,986 members over the Trust's catchment and the rest of England, as shown below:

Figure 49 **Membership catchment map for Royal Surrey NHS Foundation Trust**

NHS Foundation Trust Code of Governance

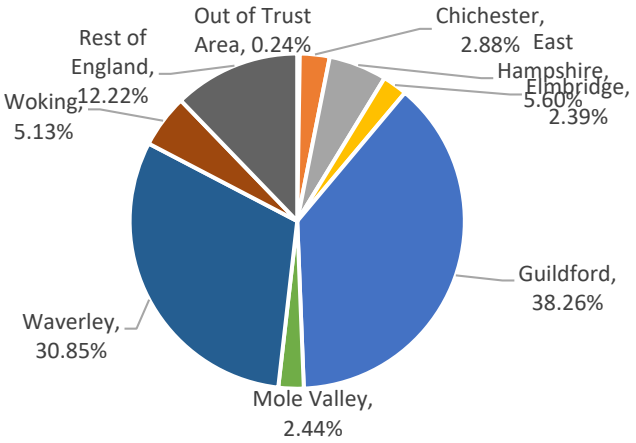
Staff constituency membership



Constituency - Staff members	Number of Members	Percentage of Members
Medical and Dental	980	15.80%
Nurses and Midwives	1,634	26.35%
Other Staff (Non-Direct)	1,161	18.72%
Ancillary, Administrative and Support	1,551	25.01%
Scientific, Technical and Allied Health Professionals	876	14.12%

Figure 50 **Membership of staff constituency at March 2021**

Public members' constituency



Constituency - Public members	Number of Members	Percentage of Members
Chichester	224	2.88%
East Hampshire	436	5.60%
Elmbridge	186	2.39%
Guildford	2,978	38.26%
Mole Valley	190	2.44%
Waverley	2,401	30.85%
Woking	399	5.13%
Rest of England	951	12.22%

Figure 51 **Constituency public members**

Ethnicity of public membership

Ethnicity	Number of Members	Percentage of Members
Not stated	3,429	44.11%
White - English, Welsh, Scottish, Northern Irish, British	3,896	50.12%
White - Irish	43	0.55%
White - Gypsy or Irish Traveller	0	0.00%
White - Other	157	2.02%
Mixed - White and Black Caribbean	13	0.17%
Mixed - White and Black African	3	0.04%
Mixed - White and Asian	10	0.13%
Mixed - Other Mixed	20	0.26%
Asian or Asian British - Indian	43	0.55%
Asian or Asian British - Pakistani	13	0.17%
Asian or Asian British - Bangladeshi	4	0.05%
Asian or Asian British - Chinese	27	0.35%
Asian or Asian British - Other Asian	50	0.64%
Black or Black British - African	20	0.26%
Black or Black British - Caribbean	11	0.14%
Black or Black British - Other Black	7	0.09%
Other Ethnic Group - Arab	0	0.00%
Other Ethnic Group - Any Other Ethnic Group	27	0.35%

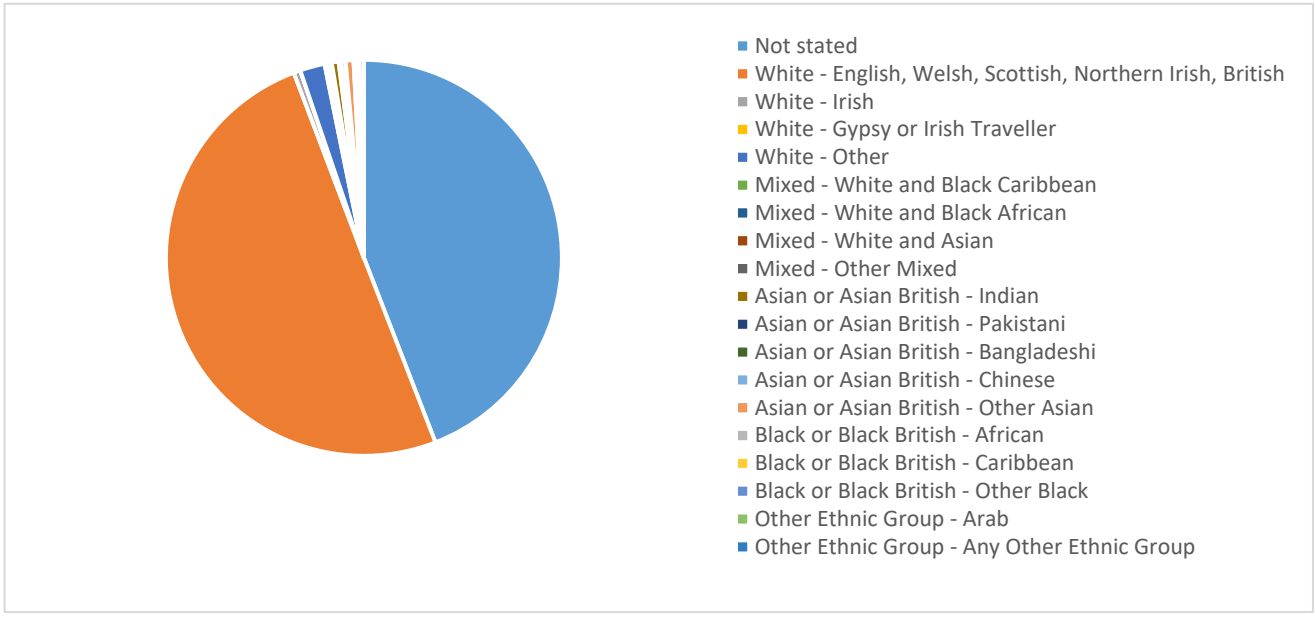


Figure 52 **Ethnicity of community membership**

NHS Foundation Trust Code of Governance

The membership and community engagement committee

The Membership and Community Engagement Committee is a committee of the Council of Governors. It generally meets three times a year to co-ordinate actions on matters relating to Trust membership and stakeholder, community and public involvement and to provide feedback to the Board and the Council of Governors. The committee receives presentations on membership activity, recruitment and retention and local projects to foster engagement.

Due the pandemic, governor committee meetings were curtailed and the Chair provided regular virtual briefings which were open to all governors, one of which reviewed the new strategy for membership engagement led by the Associate Director for Communications, Engagement and Marketing.

Local health events which had been planned for 2020 did not proceed.


Nitrile
Disposable
Nitri-hand
EXAMINATION GLOVES
AMBIDEXTROUS
NITRILE

NHS Oversight Framework

NHSI regulatory ratings

The Trust is regulated by NHS Improvement (NHSI) to which it submits its annual plan. On the basis of the information contained in the annual plan and in-year submissions, NHSI assesses and assigns a risk rating for the Trust in accordance with the 'Oversight Framework for 2019 - 2020', which provides a single overall metric for the Trust drawn from quality of care metrics, finance and use of resources, operational performance, strategic change and leadership and improvement capability.

Quality of care

The quality of care rating is drawn from the Care Quality Commission (CQC) ratings and additional quality indicators such as Friends and Family Test scores. Overall Royal Surrey scored 'Good' with an outstanding rating for being responsive (the Care Quality Commission's views as to whether provider services are organised so that they meet people's needs).

Finance and use of resources

The finance and use of resources rating assesses how well a provider uses their resources to provide patient care, for which NHS Improvement's assessment looks at how efficiently the Trust manages things like its workforce, estates and facilities, technology, how it buys goods and services and finances.

The NHS Improvement and Care Quality Commission review of Finances and Use of Resources which commenced in January 2020 was rated, in May 2020, as 'Outstanding'.

Operational performance

To determine its assessment of the Trust's operational performance, NHS Improvement looks at the most important NHS operational performance metrics including referral, access time and wait time targets. These have been discussed under the section 'Performance Analysis' starting on page 21.

Strategic change

NHS Improvement assesses the contribution the Trust makes to the wider healthcare sector for clinically, operationally and financially sustainable patterns of care.

Leadership and improvement capabilities

Under this heading NHS Improvement looks at standard indicators of effective leadership such as results of the NHS Staff Survey, staff sickness rates, and the proportion of temporary staff used.

NHSI use the score to determine whether the Trust requires support and the level of that support; NHS Improvement allocates the Trust to a support 'segment'. Segmentation enables NHS Improvement to take an overview of the level and nature of support required across the provider sector, and to target its support capacity as effectively as possible

The segment in which a provider is placed is determined by the level and nature of support NHS has decided is appropriate (universal, targeted or mandated). A segmentation decision is not a performance rating, and it does not determine the specifics of the support package in each case.

Royal Surrey segmentation rating at April 2021 (the latest date available) and throughout the year is a '2' and the previous year was also '2', indicating a targeted support offer in operational performance. This offer related to the Trust agency spend and NHSI reviewed and confirmed the action being taken by the Trust was full and appropriate.

Annual plan review and in-year reporting and monitoring

NHSI uses the information provided in the annual plan primarily to assess the risk that an NHS foundation trust may breach its licence in relation to finance and governance and assigns risk ratings. Each quarter, NHS foundation trust boards are required to submit details of performance in the most recent quarter and year-to-date against their annual plan and self-certify that all healthcare targets and indicators have been met. Each trust is assigned an overall financial and governance risk rating for the quarter based on the declarations they make to NHSI.

Financial risk rating/ continuity of service rating

Risk ratings are assigned using a scorecard which compares key financial metrics consistently across all foundation trusts. The risk rating reflects the likelihood of a financial breach of an NHS foundation trust's provider licence.

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score.

Given that finance and use of resources is only one of the five themes feeding into the Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score.

Statement of Accounting Officer's responsibility

Statement of the Chief Executive Officer's responsibilities as the accounting officer of Royal Surrey NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require the Royal Surrey NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Surrey NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

• observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

• make judgements and estimates on a reasonable basis

• state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements

• ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance

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

• prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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

Louise Stead
Chief Executive Officer
Date 9th June 2021


Face Shield
Direct splash protection

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Royal Surrey NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Royal Surrey NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership of the risk management process

Board of Directors

The Board of Directors has overall responsibility for the identification and effective management of principle risks to the achievement of the Trust's strategic objectives. These risks are captured on and managed through the Board Assurance Framework (BAF) (see page 94). The Trust has five strategic goals, namely:

1 Staying at the cutting-edge of safety and quality improvement

2 Thriving in a changing health and care environment

3 Being a great place to work

4 Building productive partnerships

5 Having a positive impact on population health and well-being.

The breadth of these objectives means that the Board Assurance Framework contains a broad spectrum of risks of which the Board has oversight.

The Trust Board has overarching responsibility for risk management.

As Accounting Officer, I ensure that sufficient resources are invested in managing risk and I am supported in this role by the Chief Nurse. The Trust's Quality Governance Team have operational responsibility for risk management.

At an operational level risks are captured on the Datix risk management system and maintained on the appropriate local divisional and corporate risk registers.

All risks are reviewed regularly by the Trust executive and decisions made to escalate individual risks to the Corporate Risk Register based on score and impact on the organisation.

The Corporate Risk Register is reviewed regularly by the executives and by the Quality Committee.

Where risk ratings are so high that they are likely to impact the achievement of strategic goals they are added to the Board Assurance Framework which is reviewed by the Board on a quarterly basis.

The members of the Audit Committee play a key role in the internal control assurance processes by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Trust Corporate Risk Register.

Board Committees

The Board delegates the testing of assurance and management controls on the BAF to its committees. Each Committee is responsible for risks to the

achievement of objectives within its terms of reference. In addition, the Quality Committee has a wider oversight role on the effective management of clinical risk.

The Audit Committee has a wider oversight role on the effective management of corporate risk and provides assurance to the Board on the adequacy of the systems and processes surrounding the management of risk throughout the organization as a whole.

Executive leadership and management oversight

The Chief Nurse was the executive lead for risk management during 2020-2021. The Trust's Senior Information Risk Owner is the Director of Finance, who is responsible for, and oversees, all information risks within the Trust. The Trust's Caldicott Guardian is the Chief Nurse, who is ultimately responsible for the correct use of patient identifiable information. Both the Senior Information Risk Owner and the Caldicott Guardian have undertaken the required training to discharge their responsibilities effectively.

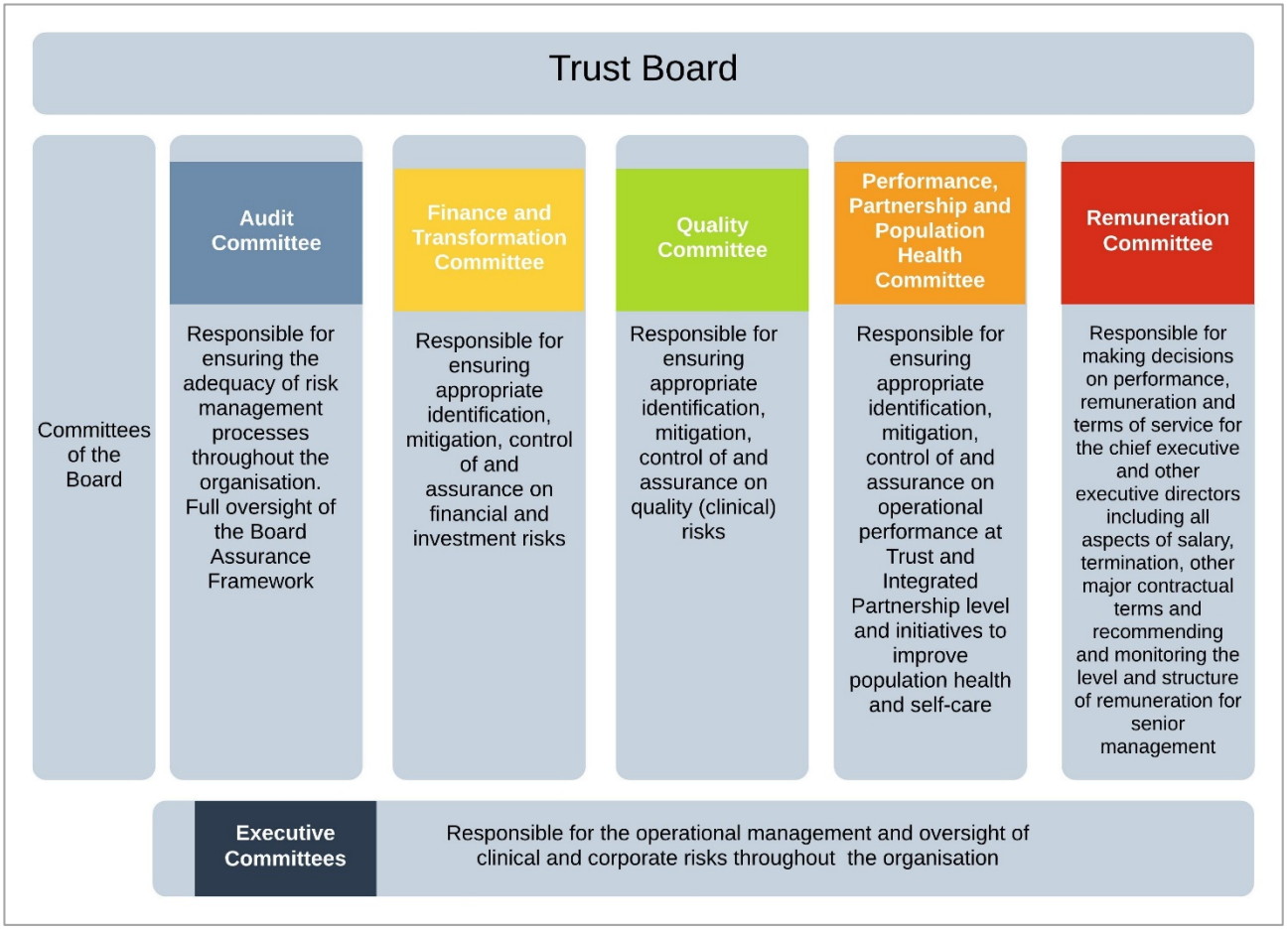


Figure 53 **Board committees**

All directors and divisional managers have a leadership responsibility for risk management within their own areas and are accountable to the Trust Board via general and specific reports.

The Trust has established a Quality & Performance Executive Committee which meets monthly and is chaired by the Chief Nurse. The Quality & Performance Executive Committee reviews all risks

Annual Governance Statement

on the risk register. It challenges the control measures and actions being taken.

The Quality & Performance Executive Committee receives a Quality Performance Report which provides assurance on quality metrics and highlights areas of excellent compliance and exception reports, and other compliance, for example guidelines from the Care Quality Commission Regulatory and the National Institute for Health and Care Excellence, the National Confidential Enquiry into Patient Outcome and Death reviews, and other relevant statutory, legislative, or regulatory compliance requirements or guidance.

The executive directors are supported by three senior directors and chiefs of service for the six clinical areas.

Dr Andrew Carne
Chief Clinical Information Officer

Nicholas Sands
Director of Transformation

Joseph Mills
Director of Strategy

Figure 54 **Senior directors**

Dr Sanju Mathew
Access and Medicine and Community

Mr John Stebbing
Surgery

Dr Mark Evans
Women and Children (stood down 31/12/20)

Dr Ben Obi
Women and Children (01/01/21)

Dr John de Vos
Oncology (stood down 30/09/20)

Dr Sharadah Essapen
Oncology (01/10/20)

Dr Angela Riga
Diagnostics and Clinical Support

Dr Felicity Overington
Adult Community Services (21/09/20)

Figure 55 **Chiefs of service**

Annual Governance Statement

Managing risk

Equipping and training staff to manage risk

The identification, assessment and management of risk is the responsibility of all staff. The Trust's mandatory training programme, which forms part of the staff induction, includes responsibilities and processes relating to risk management which encompasses fire safety, health and safety and clinical risk. Levels of compliance with mandatory training are reported to the Board as part of the monthly performance dashboard during 2020-2021. Further guidance on risk management issues is disseminated to staff through briefing systems either electronically including the intranet or via meetings.

Staff are equipped to manage risk based on their responsibilities. At senior executive level staff receive training to help them understand strategic risk management requirements. Staff at divisional level receive training to help them understand risk at an operational level. Good practice is shared through having risk co-ordinated centrally with the requirement that risks are described in a standardised way across the Trust. Detailed guidance is available to staff on the Trust's intranet and this guidance covers matters such as:

- The difference between a risk and an issue
- Understanding the key principles of risk: hazards, controls, gaps in controls, risk treatment
- How risks are managed on Datix
- How risks will be managed within the divisions.

Learning from good practice

The Trust's central risk management team work effectively with the Trust's internal auditors to continually challenge and improve risk management processes as part of the annual development and audit programme. The central risk team holds regular dedicated sessions on improving practice; using external reports on good practice and industry recommendations to facilitate ongoing improvements to risk management. This includes and involves divisional risk and governance leads.

Organisationally, good practice and learning identified through risk assessments and incidents is shared through routine communications, training, meetings, briefing and de-briefing sessions and structured judgement reviews for patients who have died whilst in Trust care.

During the year the Trust's focus was on managing risk faced as a result of the *Covid-19* pandemic. Risk has been a key component of the Trust's management of the pandemic and remains so as we move into 2021-2022. A *Covid-19* risk register has been in place throughout the year which has been regularly reviewed and updated to respond to pandemic developments.

The risk and control framework

Risk management strategy

Risk management is an integral part of the Trust's management, governance structure and internal control processes. It is the process through which the Trust identifies, assesses and analyses the risks inherent to and arising from its activities, whether clinical or non-clinical, including strategic, financial, workforce or any other; and ensures robust and effective controls and assurances are in place to improve the quality of care and provide a safe environment for the benefit of patients, staff and visitors.

Risks have been identified corporately and at local level. Over the year, key clinical risks have been articulated on the Trust's risk register at divisional and Trust levels; this has been reflected in the Board Assurance Framework.

The Trust's new risk management policy was approved at the Board meeting held in November 2020 and sets out the framework for managing risk and assessing risk appetite and incorporates the risk appetite statement agreed by the Board in October 2020. The policy indicates the Board will review its risk appetite annually and the Board Assurance Framework quarterly. Every member of staff is responsible for effective risk management. The strategy supports the delivery of the Trust's strategic

and True North objectives, as do enabling strategies such as the clinical, workforce, cancer and estates strategy.

The Trust has proactive and reactive approaches to the identification of risks, primarily through the risk assessment processes which assess the potential to cause any of the following: injury, complaint, litigation, damage to the environment or property, failure to maintain services and/ or the quality of services provided by the Trust, failure to meet national and organisational targets, loss of reputation and financial loss.

There are internal and external sources of risk. Internal risks are identified in the course of strategic and business planning, incidents, complaints, claims, noncompliance with statutory duties and guidance, enquiries and clinical/ non-clinical hazards identified for any Trust activities.

External sources of risk are identified in the course of risk alerts, hazard warnings and recommendations received by the Trust from a recognised external source such as the Medicines & Healthcare products Regulatory Agency, National Institute for Health and Care Excellence and the Health and Safety Executive.

Each identified risk is recorded on the Datix system using a standardised process and is scored using the Trust's risk assessment scoring matrix. New risks are approved by senior managers and are reviewed by the Trust executive for consideration to be included on the Corporate Risk Register.

The Trust aims to ensure that the impact and/ or likelihood of any risk is reduced to an acceptable level. It does this by using internal and / or external advice to decide on the most appropriate options to treat risk and by sharing best practice and learning from other organisations. Risk treatments will terminate, control, transfer or tolerate the risk.

All managers have authority for managing risks in their areas of responsibility. The Board recognises the importance of a robust and consistent approach to determining risk appetite to ensure:

- The organisation's collective appetite for risk and the reasons for it are widely known to avoid erratic risk taking, or an overly cautious approach which may stifle growth.
- Trust managers know the levels of risks that are legitimate for them to take, and opportunities appropriate to pursue to ensure service improvements and patient outcomes are not adversely affected.

The Trust Board will determine risk appetite and the level of risk the organisation is willing to tolerate in different areas.

Target risk ratings are set on the Datix risk management system for all levels of risks. Controls should reduce the risk rating to its target over the time period identified. Risks that have reached the agreed target rating will be treated as tolerated risks where the mitigation plan has been implemented as far as reasonably practical and there is assurance that controls are effective.

The Trust endeavours to establish a positive risk culture in the organisation, where unsafe practice is not tolerated and where every member of staff is committed and empowered to identify, correct and escalate system weaknesses.

The Trust Board is committed to ensuring a robust infrastructure to manage risks from ward to board level, and where risks crystallise, to evidencing improvements are put in place.

Figure 56 sets out a delegated governance structure through which risks are monitored and managed. It sets out a systematic process for the identification, recording and management of risk through its specialty, divisional and Corporate risk registers and clearly defines the escalation and de-escalation of risk as detailed in the diagram following:

Annual Governance Statement

Figure 56 **Risk management structure**

Note: One 'other' incident was reported, which involved a Trust encrypted device that was lost with no risk to data.

There was a significant rise in breaches reported in this year that were single confidentiality breaches caused by human error, due in part to operational pressures. In the latter quarter of the year, the breaches declined.

The Trust is also required to follow NHS Digital guidance for reporting, managing and investigating Information Governance Serious Incidents Requiring Investigation. The reporting system alerts the Department of Health and the Information Commissioner's Office of Information Governance of any Serious Incidents Requiring Investigation. The Trust did not have any reportable Information Governance Serious Incidents Requiring Investigation in 2020-2021.

The Information Commissioner's Office is the UK's independent public authority set up to uphold information rights and in 2020 - 2021, the Trust did not receive any enquires or notices from the Information Commissioner's Office.

Quality governance

The Trust operates within the NHS Foundation Trust statutory and regulatory environment and its quality governance arrangements are regularly reviewed to ensure compliance with relevant regulatory and other legal or professional standards. This includes the NHS Improvement and Care Quality Commission combined Well-Led Framework. The Trust has undertaken its normal self-assessment of its various Board committees and the Board within the reporting period. The Trust was undergoing a Care Quality Commission inspection at the end of 2019-2020 and the well led assessment has been provisionally rescheduled for after August 2021, due to the Coronavirus pandemic.

The Trust has a well-defined quality governance structure, designed to provide 'ward to board' visibility, reporting and assurance across the quality agenda.

The executive and the Trust Board seek information and assurance on compliance and have established quarterly regulatory compliance reports which provide an opportunity for scrutiny, challenge and

assurance on the wide range of regulated activities undertaken by the Trust.

The Trust ensures compliance with CQC registration requirements is monitored and assessed through its governance structure. This includes compliance monitoring at monthly meetings of Performance Executive Committee; proactive assessment through the Clinical Executive committee, the Professional Nursing and Midwifery Steering Group and the Allied Health professionals Steering Group; proactive assessment through the clinical divisional management; and independent peer review through organisations such as Healthwatch. Compliance is assured through the Quality Committee.

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

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 NHS23 guidance.

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 updated accurately in accordance with the timescales detailed in the Regulations.

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Formal Intervention

Health and Safety Executive: general management of health and safety

The achievement of 100% on checklists for health and safety, security, control of substances hazardous to health, non-safe sharps, as well as, inter alia, significant improvements in 'skin surveillance' rates and monitoring demonstrates a very positive result.

The annual target for completion of health and safety inspections for the year ended 31st March 2021 was set at 95%. At the end of the reporting year compliance achieved was 100%, comfortably exceeding the Trust target.

All Health and Safety policies are up to date with the Trust committed to maintaining these high levels of compliance. The divisions' triumvirates, together with the Director of Finance, regularly receive each division's compliance figures and actively review any gaps.

Medicines and Healthcare Products Regulatory Agency

There were two formal interventions by the Medicines and Healthcare Products Regulatory Agency, originally identified in October 2018, during separate inspections of the Radiopharmacy and Pharmacy Aseptics units at Royal Surrey.

The provision of Radiopharmacy and Aseptics are important parts of our delivery as a cancer centre although it also impacts on other key areas of specialised patient care. Following the inspections by the MHRA in 2019, remedial action plans had been put in place. The MHRA re-inspected aseptic services in September 2019 in order to assess progress with delivering the required improvement plans.

The MHRA have provided external assurance of good progress within Aseptics of improvements being made, however the Trust is still under the Inspection Action Group (IAG) as the MHRA wanted to see an extended period of good performance before removing from the inspection regime. Within Aseptics, the Trust is expecting a re-inspection of the Unit, however, the date is uncertain due to *Covid-19*.

Annual Governance Statement

Radiopharmacy was outsourced in August 2019 and is now being provided by Curium.

There were no new regulatory interventions in 2020-2021.

Performance risk assurance

Key to the effectiveness of risk management in the organisation is the Performance Executive Committee whose membership recognises the importance and high profile of risk management in the organisation and ensures senior ownership of the identification and management of risks

Each area of service in the Trust is required regularly to update their risk registers to ensure performance issues are identified and addressed, with corresponding actions and mitigations monitored in a timely manner.

The Board Assurance Framework

The Trust employs a Board Assurance Framework to identify and manage strategic risks. The Board Assurance Framework outlines the risks to achieving the Trust's strategic goals, and the mitigating actions employed to control risks and provide assurance, allowing the Board to maintain overall oversight.

To enhance the process of director review, a new process was established in March 2020 with a more detailed description of the actions taken to control risk and assess the effectiveness of those actions.

Quality implications

The Board Assurance Framework incorporates risks which, by default, have quality implications and the mitigations in place are designed to minimise or remove adverse impact on quality.

Budgetary and financial implications

The Board Assurance Framework contains risks which have a combination of resource and budgetary implications. Where applicable the responsible executive director leads put in place or propose appropriate mitigations which are reviewed at the appropriate forum, such as the Finance and Transformation Committee.

Equality and diversity implications

Where risks are aligned to specific strategies Equality Impact Assessments are undertaken.

The Board Assurance Framework report provides an overview of the top strategic risks of the Trust, mitigations and action plans to enable the achievement of target risk ratings agreed by the Board at the start of each financial year. Based on residual risk score the most significant risks to the organisation in 2020 - 2021 were:

Risk	Responsible director	Monitoring committee	Principal risk	Controls in place to manage risk (mitigation)
Strategic Goal 1: Staying at the cutting-edge of safety and quality improvement				
1	Medical Director	Quality Committee	Failure to offer research trials to patients, develop and deliver clinical and translational research capability, adversely impacting on the delivery of the research strategy, the Trust performance and reputation	▪ Maximise recruitment to UPH trials during current surge. ▪ Continue to pursue partnership opportunities with University of Surrey and recruitment of research active clinicians to broaden portfolio. ▪ Revised research plan agreed by Executive (in light of pandemic)
2	Chief Clinical Information Officer	Integrated Digital Group	Failure to deploy the digital strategy, including the implementation of the Surrey Safe Care system and	▪ Surrey Safe Care (SSC) programme launched and fully underway

Risk	Responsible director	Monitoring committee	Principal risk	Controls in place to manage risk (mitigation)
			associated changes in culture, resulting in adverse impact on care and data integrity	▪ Programme fully supported by CCIO,CIO, Director of Transformation and the wider exec ▪ Experienced Programme Director in place ▪ Digital Committee meeting monthly, chaired by NEDS ▪ Clinical champions (subject matter experts) from all divisions and Clinical Safety Officer in role. ▪ APAS Tabulated data error manually mitigated until new Patient Administration System (PAS) is deployed ▪ Extended support now procured for Oracle.
3	Director of Transformation	Finance and Transformation Committee	Failure to transform as an organisation resulting in delays to delivering the Trust's strategic priorities	▪ Delivery of the transformation programme. ▪ Agreement of ICP transformation programme and joint delivery team. ▪ Delivery of Quality Improvement programme, part of NHSI VitalSigns QI programme (1 of 7 Trusts). ▪ Implementation of change management policy. ▪ Implementation of people strategy. ▪ Joint Finance and Transformation committee in place ▪ Deputy Medical Director responsible for QI in place ▪ Joint primary/secondary care network to promote collaborative work
Strategic Goal 2: Thriving in a changing health and care environment				
4	Director of Finance	Finance Committee	Failure to deliver a financially sustainable performance year on year (LTFM) will adversely impact the ability to invest in and deliver, the Clinical Strategy	▪ Exec led business-planning process and Board approved financial and operational plans. Monthly review of divisional performance. Monitoring of CIPs on a weekly basis. Compilation of LTFM. Annual Audit and Counter Fraud Plan.
Strategic Goal 3: Being a great place to work				
5	Medical Director	Trust Board	Failure to deliver sufficient medical leadership capability and capacity to implement	▪ Medical leadership internal audit (BDO) completed, action plan in development.

Annual Governance Statement

Risk	Responsible director	Monitoring committee	Principal risk	Controls in place to manage risk (mitigation)
			the Trust's clinical and digital strategies including Surrey Safe Care	▪ Deputy Medical Director roles and objectives in place. Successful Chief of Service, PD, Guardian of Safe Working hours recruitment. Personal Development Plans in place for all but 3 future medical leaders. ▪ Strong interest in Henley masters opportunity. ▪ Regular weekly Medical Director communications established. Job planning and appraisal - clear plans and trajectory in place. ▪ CD development programme re-commencing October.
6	Director of Human Resources	Quality Committee	Failure to recruit and retain sufficient numbers of clinical and non-clinical staff, adversely impacting on the Trust to provide high quality patient care. *Covid-19* ADDITION - staff burn out at the end of the *Covid-19* phase may impact retention and attraction of staff to work in healthcare. Risk increased in September 2020 due to concerns about staff absence, burn out and deciding to leave healthcare	▪ Increased recruitment, focus on wellbeing and engagement as well as career development have left to an overall establishment fill rate of 91.1% (vacancies 8.9%). The nursing fill rate is 94% and AHP fill rate is 91%. We are targeting recruitment in high risk areas and, improving our adverts and recruitment processes so to further reduce time to hire. ▪ Voluntary turnover is 0.9% in month (29WTE), 10% annualised. ▪ Controls in place include weekly meeting with Nurse Management leads in order to ensure with are targeting the right areas. The focus on health and wellbeing and staff engagement and on relationships with managers will also help. Focus on career development and progression as well as incentive schemes and greater opportunities to learn. ▪ In view of the change to risk levels as a result of *Covid-19*, the HR teams are continuing to focus on recruitment to ensure that gaps are not increased once this becomes BAU again. Bank staff fill rates are increased and AAC panels are going ahead using Teams technology.

Strategic Goal 4: Building productive partnership

Risk	Responsible director	Monitoring committee	Principal risk	Controls in place to manage risk (mitigation)
7	Chief Operating Officer	Trust Board Performance, Partnership and Population Health Committee	Failure to deliver operational performance in line with agreed improvement trajectories adversely impacts on patient care, clinical outcomes and stakeholder confidence in the Trust.	▪ *Covid-19* Phase 3 (NHSI trajectories focused on overall activity levels compared to FY1920 and numbers of long-waiting patients.) ▪ Performance management (APMG, QPEC, divisional performance reviews) ▪ Services were fully restored but P3 and P4 surgery suspended on 16/12/20 ▪ Divisions have undertaken detailed recovery planning and working to elective recovery trajectories - reported weekly at APMG ▪ Refreshing work assessing impact of Britain leaving the EU ▪ Part of Surrey Heartlands Restoration Steering Group and ICS Surveillance Report monitoring ▪ Outpatients moved to virtual where possible from 06/01/21 ▪ Diagnostics, Endoscopy – moved to Cancer only from 06/01/21.
8	Chief Executive	Audit Committee	Risk of inadequate internal controls, which undermine the safe and effective delivery of care, potentially leading to non-compliance with statutory requirements and regulatory intervention.	▪ Oversight of regulatory compliance position by Trust Board, Quality Committee and Performance Executive Committee. ▪ Exec ownership for every external regulator.
9	Chief Operating Officer	Trust Board	The *Covid-19* pandemic leads to a situation where the Trust is not able to provide the necessary level of care to patients (with or without CV19) due to capacity, workforce limitations and restriction of supplies. This may lead to patients coming to harm across the short and medium term. If we also fail to plan effectively for a post-CV19 climate this may impact the ability of the Trust to deliver its strategy.	▪ From mid- December significant rise is *Covid-19* admissions. ▪ Trust actions focused on robust infection control measures, preparations for a Second Wave, Service resumption and detailed recovery delivery. ▪ Thrice Weekly Trust review of *Covid-19* Implementation and Infection Control measures and SOPs with all Clinical Divisions ▪ Review of Recovery Plans through APMG ▪ Staff Testing in place - weekly for high-risk areas for asymptomatic staff

Annual Governance Statement

Risk	Responsible director	Monitoring committee	Principal risk	Controls in place to manage risk (mitigation)
				▪ All IPC guidelines being followed ▪ P3 and P4 surgery suspended 16/12/21
Strategic Goal 5: Having a positive impact on population health and well being				
10	Director of Strategy	Performance, Partnership and Population Health Committee	Risk of constraints in delivery of strategic priorities due to the uncertainties of the local health economy, and the ability to work effectively with partners and stakeholders	▪ RSFT Chief Executive made ICP leader for Guildford & Waverley ▪ RSFT Chief Executive and Director of Finance members of ICP Board ▪ RSFT Chief Executive member of newly formed ICS Executive Board ▪ Guildford & Waverley System Control Total Delivery Group Meeting. ▪ ICP Transformation Board led by Director of Transformation. RSFT Chief Executive Chair of Cancer Alliance. Quarterly corporate objectives review with executives and triumvirates.

Figure 57 **Board Assurance Framework**

The Board holds an annual seminar meeting to discuss strategic risk to enable risk appetite to be effectively reviewed and assessed and for principle risks against the achievement of the Trust's strategic objectives to be assessed and reviewed holistically. This includes risks to compliance with the Trust's licence; and compliance assessments and risks are also embedded in Board reporting.

The Board formally reviews compliance against its licence when making its annual declarations and in line with statutory and regulatory requirements. The Trust self certifies against the Corporate Governance Statement, required under NHS Foundation Trust Condition 4 (8) (b) based on information and assurance received at the Board and its sub-Committees.

Every Board Assurance Framework risk has an executive risk owner, responsible for the active and ongoing management of that risk; including assessment of risk likelihood and severity (5x5 matrix), controls, assurance of controls (three lines of defence) and additional mitigating actions required.

The executive director presents the risks that they have ownership of at the relevant Board Committee (all risks are assigned to a Committee). The Committee chair includes his/her views on assurance and any matters for escalation to the Board in the upward report from the Committee to the Board. The Board then reviews both the Committee reports on risk, the Board Assurance Framework and corporate risk profile and is able to challenge executive risk owners on a quarterly basis.

The Board Assurance Framework is reported to public meetings of the Board and is available for public scrutiny on the Trust's website.

Infection Prevention and Control BAF

In May 2020 NHSE/I produced an Infection Prevention and Control Board Assurance Framework (IPC BAF) to support healthcare providers to effectively self-assess compliance with Personal Protective Equipment (PPE) and other *Covid-19* related infection, prevention and control guidance and to identify any risks. The framework has developed over the year and in total lists 117 key lines of enquiry (KLOE). The Trust is able to evidence significant assurance that 116 of the KLOE are fully met. The remaining KLOE was introduced in February 2021 and as this is a new standard it will continue to be monitored until it meets its target for completion which is planned for May 2021.

The nature of the EU exit impact on the business model and strategy

The Trust has been considering the implications of EU Exit for the health service and specifically for the Trust and its business model since early 2018. It has also regularly considered and monitored the impact at the Board of the Trust's procurement and supply subsidiary Healthcare Partners Limited (HPL). The Trust, together with HPL formed a Steering group to oversee preparations for EU Exit, ensuring particularly:

- That material stock levels were adequate and maintained in the lead up to and post the UK's final exit from the EU.
- That supplies of medicines and pharmaceuticals were adequate and maintained in the lead up to and post the UK's final exit from the EU.
- That our workforce – particularly those holding EU (but outside UK) status were adequately prepared and supported in applying for right to reside in the UK.
- That risks relating to EU exit were regularly reviewed and updated during the preparations for exit. This included the holding of a table-top exercise to test the Trust's response to a range of adverse scenarios.

In the event, the final exit on 31st January 2021 passed with no noticeable disruption to medicine or material supplies, or to our workforce.

The longer-term economic effects of EU exit on Trust business will continue to be monitored.

Incident reporting

Incident Reporting is an important element of the Trust's safety culture. The Trust encourages all staff to report all incidents for the purpose of learning and preventing future recurrence.

Royal Surrey follows the NHS England Serious Incident Framework (2015). The executive safety meeting, chaired by the Medical Director and Chief Nurse, is held weekly to review incidents with harm and decide if they meet the framework threshold. These may be from but not limited to, clinical, non-clinical incidents, complaints or structured judgement reviews of mortality.

The Trust uses a web-based electronic incident reporting system, Datix, which supports instant incident reporting 24 hours a day, seven days a week. All incidents are recorded as to whether harm was caused and the severity of harm and all incidents where there is moderate harm or above are escalated to the executive safety meeting and considered for declaration of a Serious Incident.

All staff are trained in incident reporting as part of the Trust corporate induction with an emphasis on patient safety and a just culture. Incident investigation training is provided to all managers and clinical staff who have the responsibility to investigate incidents, identify any service or care delivery problems, implement mitigating or resolving actions and share learning for incidents.

Reporting a Serious Incident must include recording the incident on the Strategic Executive Information System. This system facilitates the reporting, investigating and outcomes of serious incidents and can be seen by the Care Quality Commission, and by Commissioners who will manage the closure element of the incident

Annual Governance Statement

In addition to the framework for risk management, the Trust places a strong emphasis on incident reporting; evidenced through a year-on-year improvement in the percentage of staff feeling confident to report incidents.

Stakeholder involvement in risk management

The Trust recognises that effective risk management relies on contributions from outside the organisation as well as from within, and there are therefore arrangements in place to work collaboratively with key external stakeholders and partner organisations, including the Guildford and Waverley Clinical Commissioning Group, Surrey County Council, Guildford and Waverley Borough Councils and the local Healthwatch along with the University of Surrey and Cancer Charities.

The Trust also contributes to the identification and management of risk in the Surrey Heartlands Health and Care Partnership Integrated Care System footprint. These arrangements cover operational and strategic issues such as service planning and commissioning, performance management and scrutiny, research, education and clinical governance. Commentary and issues arising from this engagement are captured in the Trust's risk processes and considered in the risk grading matrix referred to above.

These and other stakeholders have opportunities to raise issues relating to risks which impact upon them, including:

Patients and public

Contributions are sought from:

- The patient panel, patient experience committee, carers' steering group, dementia cafes and hospital user group
- Governors' clinical visits
- Feedback from the League of Friends at the community hospital sites: Haslemere Hospital, Cranleigh Village Hospital and Milford Hospital.
- Issues identified in Complaints and Patient and Liaison Service enquiries, user comments via social media, maternity voices and friends and family test comments
- Involvement with and by the Solid Organ Advisory Group
- Attendance at the Trust's Annual Members' Meeting
- Structured and ad hoc engagement with and from Healthwatch
- Representation from Surrey County Council, Guildford and Waverley Borough Councils, Healthwatch, Guildford and Waverley Clinical Commissioning Group and community groups on the Council of Governors
- Patient stories delivered at Board meetings.

Staff

- Messages emerging from the annual staff survey
- Questions submitted by members of staff to the Chief Executive Officer and other executives
- Concerns and issues raised by staff at Health & Wellbeing Group, Equality, Diversity and Inclusion Group, Specialty Business unit and Divisional team meetings
- Leader Standard work and the accreditation process of ward accreditation called 'Achieving Excellence'
- Partnership working with unions and issues raised at Joint Negotiating Consultative Committee
- Frequent communication round-ups are provided by Trust perspectives and through the Trust's intranet, 'Roogle' and the Trust's weekly staff internal newsletter, the 'Huddle'
- Freedom to Speak Up Guardian and champions as conduits through whom staff may raise concerns or make protected disclosures under the Public Interest Disclosure Act 1998.
- Regular online briefings during the pandemic and led by the Executive team to update staff on pandemic management and offering the opportunity to raise questions and concerns from members of staff.

Health partners

- Regular performance review meetings with the system partners, including other providers, Integrated Care Provider and Integrated Care System, GPs, ambulance trusts and local authorities with which the Trust has working relationships
- Active involvement in the Surrey Heartlands Health and Care Partnership, which involves all of the NHS commissioner and provider organisations, as well as local authority social care providers across the county.
- Attendance at the Surrey Heartlands Health and Care Partnership Board.

Workforce strategies

The NHS labour market is facing unprecedented challenges as a result of the *Covid-19* pandemic. Even before *Covid-19*, changes to the labour market were taking place as a result of various environmental factors including EU exit, technological advances, new ways of entering the workforce via apprenticeships and changing workplace cultures. We have developed an action plan to make sure we are in the best place to respond to both the risks and opportunities and to ensure that we can continue to attract, retain, develop and grow our workforce.

Significant progress has been made in regard to developing the Trust workforce with reduced turnover and record numbers of substantive staff being recruited, resulting in the lowest vacancy rates that the Trust has experienced for many years.

The Trust's ambition is for the Royal Surrey to develop its reputation as an employer of choice within the NHS, with a workforce which is highly engaged and feels supported and listened to. To achieve this, we must continue to embed compassionate leadership consistently across the Trust and maximise the experiences of staff working for us. The aim is to continue to develop the Trust HR services from consistently 'good' to consistently 'outstanding'.

Equality, diversity and inclusion

The Equality, Diversity and Inclusion Strategy is set out on page 59 of the Annual Report and is tied to the Trust's strategic objective of being a great place to work. Alongside this, business as usual processes take place to ensure the right staff are available in the right place, at the right time.

The strategy and business as usual actions include:

- Enhanced and focused recruitment campaigns to recruit hard to fill roles, as well as high turnover roles such as Health Care Assistants, Band 5 Nurses and administrative and clerical staff
- Development and integration of new and emerging roles, such as nursing associates and advanced care practitioners, doctors' assistants and physicians' associates
- Regular review and monitoring of safe staffing levels, including the use of the Safer Nursing Care Tool and BirthRate Plus for bi-annual establishment reviews
- Robust rostering practices, including the use of e-rostering clinics to scrutinise rosters
- Recording and monitoring of Care Hours Per Patient Day, reported to the Board as part of the Board Nursing Staffing Report
- Short, medium, and long-term workforce planning practices to develop and staff service models, now and in the future
- Design and implementation of retention initiatives, including offering enhanced benefits
- Enhanced wellbeing package, promoting and improving the health of the workforce
- Comprehensive training packages and use of central funding and apprenticeships to ensure training is widely available

The above listed activities support the NHSI Developing Workforce Safeguards recommendations, ensuring the wards as staffed safely and that staffing levels are monitored and adjusted as required and

Annual Governance Statement

that the Trust is managing not only the workforce of today but planning for the workforce of tomorrow.

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

Sustainability

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018. The Trust ensures that it is compliant with its obligations under the Climate Change Act and the Adaptation reporting requirements.

NHS Pension Scheme

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

Information governance

The Information Governance yearly work plan is aligned with the Data Security Protection Toolkit annual submission and is continuously monitored by the IG Steering Committee, chaired by the Caldicott Guardian and Senior Information Risk Owner. The Data Security Protection Toolkit forms the Information Governance framework for ensuring that the Trust is implementing the ten data security standards recommended by the National Data Guardian, that the Trust is meeting the statutory obligations on data protection and data security.

Due to the *Covid-19* pandemic NHS Digital extended the 2019 - 2020 Data Security Protection Toolkit (DSPT) submission deadline to the end of September 2020 and the Trust submitted 115 out of 116 mandatory evidence requirements and 43 of 44 assertions confirmed complete, leaving mandatory requirement 3.2.1 with a 'standards not met'.

The DSPT requirement 3.2.1 evidence covers training and requires at least 95% of all staff must have completed their annual Data Security awareness training in the period 1 April 2019 to 30 September 2020.

NHSD/Cyber Security agreed an action plan for the Trust to reach the compliance of 95% at end of March 2021 and updated the Trust status to 'standards not fully met (plan agreed)'. The training figures dipped in quarter one and from quarter two there has been consistent improvement and as of 31st March 2021 reporting 92.2% compliance.

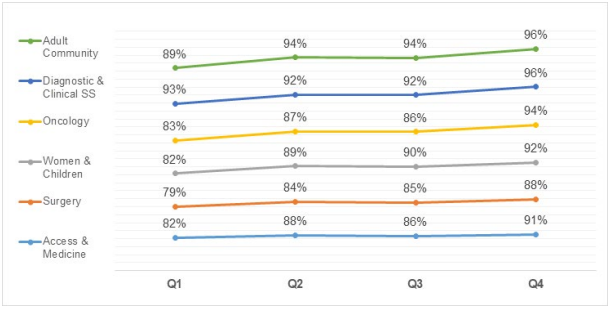


Figure 58 **Clinical division data security training compliance by quarter for 2020/21**

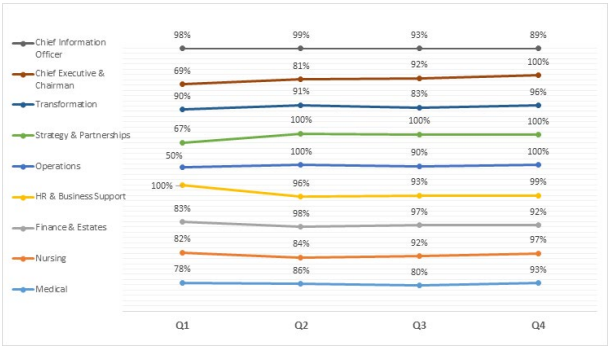


Figure 59 **Corporate division data security training compliance by quarter from 2020/21**

Alongside the Data Security Protection Toolkit submission, Information Governance is responsible for reviewing Data Protection Impact Assessments for new processes or services that involve significant change in the way that personal data is handled. It also ensures that potential risks are identified and that appropriate contracts and data sharing, and processing agreements are in place between all organisations involved.

Freedom of information

Information Governance is also responsible for the processing freedom of information requests on behalf of the Trust. The Freedom of Information Act 2000 enables members of the public to question the decisions of the Trust as a public body and provides a right of access to recorded information held by the Trust, subject to certain conditions and exemptions contained in the Act.

The numbers of freedom of information requests received by the Trust have risen annually and increased in complexity. In 2020 the Trust has recorded a drop in requests from 644 in the previous year to 504. This is mainly due to *Covid-19* and the majority of requests have been in relation to *Covid-19* operational information. The Information Commissioner normally expects public authorities to respond to more than 90% of requests within the 20 working days' statutory requirement and the Trust did forewarn requesters on acknowledgement of receipt of a new request that due to *Covid-19* operational pressures, responses may be delayed.

Figure 61 below shows the number of new freedom of information requests received by month and how many were responded to within the 20 working day statutory compliance.

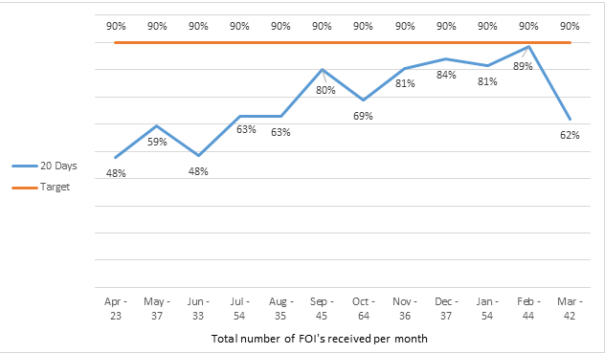


Figure 60 **Freedom of information requests**

The Trust received two freedom of information requests for internal reviews on responses and in all the cases, the original freedom of information decision was upheld, and no complaints were raised with the Information Commissioner.

Junior doctor Terms and Conditions of Service

The junior doctor Terms and Conditions of Service state that fines levied for breaches of safe working are detailed in the Trust Annual Report. During the financial year 2020 - 2021 there were no incidents where junior doctors were reported (to the Trust Guardian of Safe Working) to have worked unsafe hours and therefore no fines were levied for breaches.

Annual quality account

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

The Quality Account for 2019/20 was submitted on 15th December 2020 following postponement due to the *Covid-19* pandemic declared in March 2020. The year continued to be a challenging year and whilst the quality priorities chosen were carried forward from the previous year many were suspended due to the pandemic. Our priority was to respond to the pandemic and maintain safe and effective services across the Trust. We are proud that as a Trust our mortality rate continued to be exceptionally good. Despite the pandemic the Trust achieved 78% of our End of Life target for staff training. Our commitment to embedding learning has continued throughout the pandemic.

The priorities which we have not been able to focus on have been those involving our surgical pathways. However as we move into recovery we are focused on reenergising our quality priorities and taking forward the ambition to improve length of stay for our elective orthopaedic surgery.

The DHSE recently advised that it would not seek to amend the regulations to remove the 30th June publication date for the Quality Accounts 2020-2021, due to the ongoing Coronavirus pandemic. The reporting of the Quality Account remains separate from the Annual Report and accounts.

Annual Governance Statement

For completeness of the Annual Governance Statement the quality priorities for the year ended 31st March 2021 are included in the following paragraphs.

Quality priorities

In 2020 - 2021 the Trust had eight quality priorities which were linked to the strategic objectives and formed part of the wider transformational agenda. The priorities were discussed in quality meetings with divisional heads of nursing and reflected the triangulation of incidents and complaints, which are nationally mandated. They reflect the work the Trust is doing with the Guildford and Waverley Integrated Care Partnership, and have been described more fully below.

Reporting of Quality Priorities for 2020 - 2021

All Quality Priorities are monitored through the Trust's Quality Committee, which is a committee of the Board. Stakeholders, including governors and members of the Guildford and Waverley Integrated Care Partnership are also invited to quarterly presentations by the Trust. Progress against the priorities is monitored monthly through the divisional meeting of the Trust-wide Quality Safety Effectiveness and Patient Experience Group.

Full details of the Trust's performance on the Quality Priorities have been delayed due to impact of the *Covid-19* and consequent changes made to the reporting requirements. The detail was contained in the Quality Account which was reported separately in the autumn/ winter of 2020. However, the Trust's priorities for 2020 - 2021 have been set out below:

Quality Priority		
1	**Summary hospital level mortality indicator**	The Summary Hospital Level Mortality Indicator reports on mortality at Trust level across the NHS in England using a standard and transparent methodology. It is published quarterly as a National statistic by NHS Digital six months in arrears. SHMI is also the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated. This priority was mandated by NHSI and had been chosen as the governors' local quality indicator before the lockdown. The Trust's Summary Hospital Level Mortality Indicator is 0.79% and within the 'lower than expected' range. Nationally this places the Trust within the top five in England and the aim was to maintain Band 1 status.
2	**Embedding learning**	As quality priorities have evolved, this priority has been linked with the Trust's 'Truth North' Objective to ensure zero harm by managing and monitoring all action plans for Serious Incidents. This has emerged from previous years' priorities to standardise governance structures and learning throughout the Trust. In particular, the focus is on learning from serious incidents, completion of all action plans to improve learning and prevent reoccurrence.
3	**Better births**	This priority builds on the achievement of previous years; improving experience and outcomes for mothers and babies. In 2018 - 2019 the Trust provided continuity of carer for 24% of women against a 20% target. Continuity of care involves care provision by a small, defined group of midwives throughout all stages of maternal care and the aim was to provide this for 35% of women. This priority also includes the implementation of version 2 saving babies lives care bundle 2019 and working on reducing smoking in pregnancy.
4	**Intermediate care and rehabilitation (community)**	The focus of this priority is to provide individual, patient-centred care planning and to improve patient flow throughout the Trust, with the objective of reducing bed occupancy to 92% as it was apparent that this type of care was not being carried out consistently across Adult Community Health services.
5	**End of life care in the community**	The aim of this priority was to ensure that Recommended Summary Plan for Emergency Care and Treatment forms were completed and that each patient, whether in the community or in or out of hospital has a preferred place of care

Quality Priority		
		identified at the end of life. This was to improve the end of life patient experience and supported collaborative work being undertaken with the Phyllis Tuckwell Hospice.
6	**End of life care in the acute Trust**	The End of Life Care strategy was developed in 2018 and following on from this the aim was for the palliative care team to implement a new module for staff training on patient care, as there was no formal educational provision available for qualified nursing staff in this area.
7 & 8	**The surgical ambulatory emergency care pathway**	The Surgical Ambulatory Emergency Care pathway and the short stay hip surgery pathway. The Surgical Ambulatory Emergency Care pathway is a national initiative and along with the short stay hip surgery pathway was designed to reduce the length of stay in surgical wards. These priorities were chosen with the aim of improving patient experience and length of stay.

Figure 61 **Quality priorities**

The Trust continued with the following Quality Priorities into 2020/21:

- The 62-day wait for cancer target (averaged over all tumour types) shall be rated green or amber for no less than eight months of 2020/21. This will be the Governors indicator for 2020/21.
- Better Births, specifically 100% of midwives and obstetric staff attend one-day training on foetal monitoring and situational awareness, followed by 100% of staff completing a competency based assessment following training.
- From the End of Life Care Strategy two elements will be continued. Firstly, more than 50% of patients dying in the Trust will have a PELiCan in place (this to be audited monthly). The second element is that qualified nursing staff will complete end of life care training modules.
- Maintenance of current excellent performance against the levels of Summary Hospital-level Mortality Indicator (SHMI) metric.

The Quality Priorities were based on sufficient confidence in the quality of data to be able to form appropriate end of year audits. At this time it is recognised there is a challenge to delivery of the Quality Priorities through the pandemic and the possibility of new priorities to consider from the *Covid-19* experience. As a result, an additional priority for 2020/21 is 'embedding of learning'.

The pandemic has significantly disrupted the Trusts ability to deliver it's the Quality Priorities for 2020/21 with the Pandemic increased deaths across the Trust, and surgical pathways being disrupted.

The Trust has reported successes in a number of areas:

- Partnership working with private providers for theatre working for elective surgery
- Successfully implemented the national Serious Incident process for *Covid-19* incidents
- Maintained all Quality Governance processes through the year with robust Root Cause Analysis (RCAs), complaints process, incident management, national alerts, risk register and NICE guidance responding to the increased level of National Alert for *Covid-19*
- Maintained adequate supplies of PPE
- Established a *Covid-19* vaccination centre
- Implemented virtual visiting using Attend Anywhere on iPads and window visiting in the community
- The Hep C Clinical Nurse Specialist Team set up a Homeless POD to take the service to the homeless population of their patients
- Implemented theatre safety huddles
- Implemented daily safety huddles in ED
- Established a drive-through pharmacy

Annual Governance Statement

- Established a drive-through antenatal maternity hub
- Established a drive-through Cardiology pacemaker check.
- Partnership working continued with University of Surrey to deliver a *Covid-19* drive through test site for the Trust and the deployment of paramedic students to support the delivery of care to ICU patients
- Overseas nursing and Radiographer recruitment continued throughout the year
- Partnership working with Medirest ensured sustainable door stewards to deliver compliance to PPE on entering the Trust and vaccination hub
- Successfully recruited, trained and deployed *Covid-19* volunteers across the Trust
- With the national restriction on visiting, the PALs team implemented ways to keep families and patients connected. This included message to a loved one (email or hand delivered), a patient property drop off service and Royal Surrey Hearts (one heart is given to the patient and the other is given to the family member).

In the absence of onsite visits by the CQC, a number of CQC engagement events were held with Maternity, Emergency Care, Children & Young People services, the Freedom to Speak Up Guardian, the Chief Pharmacist and a review of the Infection Control Board Assurance Framework.

Managing conflicts of interest

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.

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 NHS Foundation 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, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process of maintaining and reviewing the effectiveness of the system of internal control during the year ended 31st March 2021 was maintained and reviewed by the Board throughout the year via:

- Reliance upon the Audit Committee for assurances that the system of internal control is sound
- Assurances from the Quality Committee on issues relating to clinical governance, risk management and divisional clinical leadership
- The structure, nature and content of Board meetings during the year ended 31st March 2021 which enabled the Board to provide adequate challenge on and gain suitable assurance in relation to issues relating to performance, quality and safety within the Trust
- The effective engagement of internal audit and an internal audit plan directed at areas where the control environment can be further strengthened
- A prioritized clinical audit programme covering national statutory and mandatory

audits, priority audits and local interest audits
- Engaging independent assurance throughout the year through peer review and regulatory review.

Continued improvement and development work in the control environment will be undertaken in 2021 - 2022.

Board of Directors

The governance framework of the Trust is defined in the information on the Trust Board and its committees and the Council of Governors (from page 70). It explains the scope of each committee and the issues reported to it. The attendance of non-executive directors and executive directors at Board and committee meetings is detailed on page 45 and 69 respectively.

Board committees

In addition to statutory committees referenced in the main report, the Trust operates a number of other Board committees which have a substantial role to play in reviewing the effectiveness of the system of internal control and include.

The Quality Committee

The Quality Committee, whose role is to ensure there are systems in place to monitor the quality of health and care services and workforce, ensuring the best clinical outcomes and experiences for patients.

It has a key responsibility to monitor the delivery of clinical and workforce priorities whilst maintaining an oversight of the mitigation of associated risks.

The Committee meets bi-monthly. Its remit includes monitoring Trust compliance with statutory and regulatory requirements in relation to:

- Care Quality Commission
- Information Governance Toolkit
- NHS Constitution
- NHS Improvement Oversight Framework
- Equality Act 2010
- National Institute for Health and Care Excellence and other best practice guidance
- Health and Safety at Work Act 1974.

It has a broad assurance role in relation to ensuring quality and safety standards, quality improvement outcomes and effectiveness of clinical outcomes for patients. It also monitors the arrangements for ensuring patient views and feedback are captured and acted upon and reviews action plans associated with dealing with serious incidents, case reviews and complaints and workforce.

Finance and Transformation Committee

The Finance and Transformation Committee meets eight times per annum and its role covers the following areas:

- Consideration of the Trust's capital and revenue medium- and long-term financial strategy
- Review of the annual budget and annual financial plan
- Consideration of annual financial targets and performance against efficiency plans
- Monitor monthly financial performance
- Consider effectiveness of transformation programmes (including with the Integrated Care Partnership and other trusts and partners)
- Review major business cases for the capital programme
- Monitor key financial activities and risk
- Monitor the financial activities and performance of the Trust's subsidiary companies

Digital Sub-Committee

The Royal Surrey and Ashford St Peters Hospitals NHS Foundation Trust have agreed to jointly procure and deploy a single instance of an electronic patient record ePR system. The Trusts have agreed a joint governance framework to facilitate the successful

Annual Governance Statement

delivery of the ePR system, headed by a Joint Digital Committee, which meets bi-monthly.

The objective of the Joint Digital Committee is to act on behalf of ASPH and RSFT in partnership with Cerner and the wider system to provide assurance around the development and delivery of the Cerner solution that is being jointly deployed at the two Trusts. This objective includes ensuring that all patient and non-patient benefits are realised, as well as working with commissioners and other healthcare providers to ensure that the wider health community benefits from this transformational programme. Specifically, the Joint Digital Committee objectives are to:

• Hold and develop the vision

• Oversee key issues and act as arbiter in case of dispute

• Act as assurance gatekeeper with oversight around decisions for the overall programme

• Provide Business Case delivery assurance

Performance, Partnerships and Population Health Committee

The Performance, Partnerships and Population Health Committee was formed during 2019 to provide assurance to the Board on operational performance at Trust and Integrated Care Partnership level; on the development and effectiveness of partnerships entered into by the Trust; and on the design implementation and effectiveness of initiatives to improve population health and self-care.

Intended to be a time limited committee, the ambition of this committee is to move these areas of activity to the ICP level and in the interim it intends to meet three to four times a year.

The Audit Committee

The Audit Committee provides assurance to the Board on:

- The effectiveness of the organisation's governance, risk management and internal control systems
- The integrity of the Trust's financial statements, the Trust's Annual Report and in particular the statement on internal control
- The work of internal and external audit and any actions arising from their work.

The Audit Committee has oversight of the internal and external audit functions. The Council of Governors is responsible for appointing and re appointing the external auditors

The Audit Committee reviews the findings of other assurance functions such as external regulators and scrutiny bodies and other committees of the Board.

The executive directors have provided all the information contained in the Annual Report and accounts. The non-executive directors have had an opportunity to comment on the draft document and the Audit Committee reviews the report and considers it fair, balanced and understandable.

Business continuity

The emergence of *Covid-19* in early 2020 resulted in the Trust managing a sustained response to the pandemic throughout 2020/21. The Trust mobilised and responded to the threat in accordance with guidance from NHS England and NHS Improvement, flexing the approach as the situation moved through the first and second waves.

Board governance was adapted to continue in an abridged way so that all Board committees and full meetings of the Board took place using technological solutions to enable non-executive directors, governors and others to participate remotely. Constitutional arrangements were already in place which could be enacted to facilitate remote meetings and although most committees of the Council of Governors were cancelled, the full Council continued with its meeting in late March using this technology.

In relation to business continuity issues, laptops and other mobile technology devices were, initially, in short supply but this was resolved relatively quickly to allow more staff, who were able, to work from home in accordance with government guidance.

Many staff groups were also placed on rotas to facilitate home working, elements of which remain in place.

All NHS organisations have a duty to put in place continuity arrangements, under the Civil Contingencies Act 2004 and the Health and Social Care Act 2012. The NHS England Core Standards for Emergency Preparedness, Resilience and Response set out these requirements for all organisations. This means that services should be maintained to set standards during any disruption or recovered to these standards as soon as possible.

Annually the Clinical Commissioning Group grade the Trust and reported back to NHS England. The 2020 Assurance process was based on a self-assessment process with the Trust retaining the 'substantial' compliance level in December 2020.

Every Departmental Business Continuity plan models shortage of staff at 20% in accordance with the Government's threshold. The models include those for pandemics, loss of buildings or severe weather.

All plans are reviewed regularly and validated by live testing or exercises. The plans include the Pandemic Flu Plan Version 3 available on the Hospital intranet.

As the scale of the *Covid-19* incident unfolded the Trust escalated its response in accordance with the Trust's major incident plan. A Trust wide exercise of 'Lessons Learned from Wave 1' was undertaken in July 2020, with the learning then applied and adapted in the successful Wave 2 response, during which the Trust managed significantly higher numbers of patients with *Covid-19*. This learning focused predominantly on infection control practices, medical models of care and Trust wide bed configuration to safely manage inpatient care.

Internal Audit

The Audit Committee agrees an annual risk based internal audit plan and receives reports on the outcomes of the reviews of the system of internal control during the course of the financial year.

BDO Internal Audit were appointed in May 2017 to provide assurance to the Board for internal audit. For 2020 – 2021 the Head of Internal Audit's opinion provided moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently.

The majority of audits provided moderate assurance in the design and operational effectiveness of controls, with two audits given substantial assurance in design, and one in operational effectiveness.

BDO Internal Audit noted that the Trust has dedicated more time to recommendations which was evident during the year as a higher proportion of recommendations were implemented.

During the year ended 31st March 2021 BDO Internal Audit completed six internal audit reports. The areas the reports included were:

- *Covid-19* Expenditure
- Medical Staffing Engagement
- Divisional Governance – Oncology
- Freedom to Speak Up Guardians
- Key Financial Systems – Accounts Payable
- Statutory and Mandatory Training.

External Audit

KPMG LLP, the Trust's external auditor, provides assurance to the Trust on an ongoing basis by attending all Audit Committee meetings and by undertaking the annual audit of the accounts and Annual Report and usually provides a limited assurance on the Quality Account. For 2020 - 2021, the external auditor has concluded that:

'The financial statements give a true and fair view of the state of the Trust's affairs, and have been properly prepared in accordance with the accounting policies directed by NHS Improvement, and in accordance with the National Health Services Act 2006.'

KPMG's opinion in respect of the use of resources is to be 'unqualified'.

Annual Governance Statement

Conclusion

Based on my review, I can confirm that the Royal Surrey NHS Foundation Trust has a generally sound system of governance that supports the achievement of its policies, aims and objectives and that those control issues, identified throughout the year, have been or are being addressed and that there are no significant internal control issues.

As Accountable Officer, I am satisfied that the Accountability Report is a fair and balanced account of the areas that it covers.

No significant internal control issues have been identified.

Louise Stead
Chief Executive Officer
Date: 9th June 2021


NHS
Royal Surrey
NHS Foundation Trust
Thank you
to our NHS
WORLD CLASS CARE
FOR OUR COMMUNITY

Accounts 2020 – 2021

This page is intentionally blank

Annual accounts for the financial year 2020 – 2021

Foreword to the accounts

The accounts for the year ended 31 March 2021 have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Louise Stead, Chief Executive Officer
Date: 9th June 2021

This page is intentionally blank

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORSOF ROYAL SURREY COUNTY HOSPITAL NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Royal Surrey County Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2021 which comprise Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statementsof Changes in Taxpayers Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2021 and ofthe Group and Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health andSocial Care Group Accounting Manual 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") andapplicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's andTrust's business model and analysed how those risks might affect the Group's and Trust's financialresources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation ofthe financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significantdoubt on the Trust's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditionsthat could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Group's and Trust's high-level policies and procedures to prevent and detect fraud ,including the internal audit function,and the Group's and Trust's channel for "whistleblowing", as well as whether they have knowledgeof any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a resultof the need to achieve control totals delegated to the Group by NHS Improvement

- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Group's accounting policies.

We communicated identified fraud risks to all members of the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls and the risk offraudulent revenue recognition, in particular the risk that revenue streams are recorded in the wrong period, the risk that additional funding was claimed inappropriately through the extra resources made available as a result of Covid-19, and the risk that Group management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We did not identify any additional fraud risks.We

performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted with unusual account combinations, journals posted by specific users, and material journals following close-down of the financial ledger.
- Assessing significant estimates for bias.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Agreeing a sample of year end accruals to relevant supporting documents, including actual invoices received post year end, where applicable.
- Performing cut-off testing of income and expenditure in the period before and after 31 March 2021 to determine whether amounts have been recorded in the correct period

Identifying and responding to risks of material misstatement due to non-compliance with lawsand regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors(as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations aspart of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detectedsome material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non- compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws andregulations.

Other information in the Annual Report

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with thefinancial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistentwith the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21. Wehave nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properlyprepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 87, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that arefree from material misstatement, whether due to fraud or error; assessing the Group's and 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 Group and Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness inits use of resources.

We have nothing to report in this respect.

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

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work aswe considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006.
- any matters have been reported in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006 in the course of, or at the end of the audit.

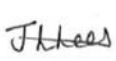
We have nothing to report in these respects.

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Royal Surrey County Hospital NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Schedule10 of the National Health Service Act 2006 and the Code of Audit Practice.



Joanne Lees
for and on behalf of KPMG LLP
*Chartered Accountants*15
Canada Square London
E14 5GL

14 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		Group		Trust	
		2020/21	2019/20	**2020/21**	2019/20
	NOTE	**£000**	£000	**£000**	£000
Revenue					
Revenue from patient care activities	3	**396,678**	364,698	**396,606**	364,596
Other operating revenue	4	**70,462**	62,278	**75,046**	67,090
Operating expenses	6	**(461,716)**	(414,987)	**(467,687)**	(420,668)
Operating surplus		**5,424**	11,989	**3,965**	11,018
Finance costs:					
Finance income	11	**0**	506	**852**	985
Finance expense - financial liabilities	12	**(89)**	(220)	**(89)**	(220)
Finance expense - unwinding of discount on provisions			(1)		(1)
Public dividend capital dividends payable		**(4,540)**	(5,171)	**(4,540)**	(5,171)
Other gains/(losses)		**(88)**	(1)	**(73)**	0
Corporation tax expense		**(17)**	(33)	**0**	0
Retained surplus for the period		**690**	7,069	**116**	6,611
Other comprehensive income					
Impairments and reversals		**1,348**	(2,518)	**1,348**	(2,518)
Gains on revaluations			1,124		1,124
Other recognised gains and losses			(29)		(29)
Capital Donations/ grant I&E impact		**(989)**	0	**(989)**	0
Net impact of Centrally procured inventories		**(446)**	0	**(446)**	
Total comprehensive income for the period		**603**	5,646	**29**	5,188

The notes on pages 128 to 172 form part of these accounts.
All income and expenditure is derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		Group		Trust	
		31 March	31 March	**31 March**	31 March
	NOTE	**2021**	2020	**2021**	2020
Non-current assets		**£000**	£000	**£000**	£000
Intangible assets	14	**6,602**	1,419	**6,532**	1,419
Property, plant and equipment	15	**186,951**	185,633	**172,158**	171,625
Trade and other receivables	19	**611**	462	**611**	462
Other financial assets	20	**0**	0	**11,793**	9,927
Total non-current assets		**194,164**	187,514	**191,094**	183,433
Current assets					
Inventories	18	**7,692**	7,684	**3,406**	3,448
Trade and other receivables	19	**17,641**	31,963	**15,976**	33,308
Other financial assets	20	**0**	0	**5,123**	3,959
Cash and cash equivalents	27	**99,536**	80,552	**98,624**	79,479
Total current assets		**124,869**	120,199	**123,129**	120,194
Current liabilities					
Trade and other payables	21	**(40,071)**	(38,016)	**(36,463)**	(34,630)
Borrowings	23	**(1,261)**	(1,263)	**(1,261)**	(1,263)
Provisions	28	**(2,291)**	(1,331)	**(2,266)**	(1,306)
Tax payable	21	**(5,992)**	(5,466)	**(5,914)**	(5,318)
Other liabilities	22	**(1,963)**	(927)	**(1,963)**	(927)
Total current liabilities		**(51,578)**	(47,003)	**(47,867)**	(43,444)
Total assets less current liabilities		**267,455**	260,710	**266,356**	260,183
Non-current liabilities					
Trade and other payables	21	**(43)**	(43)	**(43)**	(43)
Borrowings	23	**(3,468)**	(4,717)	**(3,468)**	(4,717)
Provisions	28	**(149)**	(164)	**(149)**	(164)
Other liabilities	22	**(850)**	(862)	**(850)**	(862)
Total non-current liabilities		**(4,510)**	(5,786)	**(4,510)**	**(5,786)**
Total assets employed		**262,945**	254,924	**261,846**	254,397
Financed by taxpayers' equity:					
Public Dividend Capital		**87,334**	72,636	**87,334**	72,636
Revaluation Reserve		**53,620**	60,986	**53,620**	60,986
Income and Expenditure Reserve		**121,991**	121,302	**120,892**	120,775
Total Taxpayers' Equity		**262,945**	254,924	**261,846**	254,397

The financial statements on pages 123 to 172 were approved by the Board on 27th May 2021 and signed on its behalf by:

Signed:

Louise Stead
Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

Group	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2020	**72,636**	**60,986**	**121,302**	**254,924**
Changes in taxpayers' equity for period 01/04/19 to 31/03/20				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	690	690
Impairments and reversals	0	(7,812)	0	(7,812)
Gains on revaluation	0	446	0	446
Other recognised gains and losses	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	0	0
New Public Dividend Capital received	14,698	0	0	14,698
Other reserve movements	0	0	0	0
Taxpayers' Equity at 31 March 2021	**87,334**	**53,620**	**121,992**	**262,946**
Taxpayers' Equity at 1 April 2019	**70,085**	**62,701**	**113,941**	**246,727**
Changes in taxpayers' equity for period 01/04/19 to 31/03/20				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	7,069	7,069
Impairments and reversals	0	(2,518)	0	(2,518)
Gains on revaluation	0	1,124	0	1,124
Other recognised gains and losses	0	(29)	0	(29)
Transfer to retained earnings on disposal of assets	0	(292)	292	0
New Public Dividend Capital received	2,551	0	0	2,551
Other reserve movements	0	0	0	0
Balance at 31 March 2020	**72,636**	**60,986**	**121,302**	**254,924**

Trust	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2020	**72,636**	**60,986**	**120,775**	**254,397**
Changes in taxpayers' equity for period 01/04/19 to 31/03/20				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	116	116
Impairments and reversals	0	(7,812)	0	(7,812)
Gains on revaluation	0	446	0	446
Other recognised gains and losses	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	0	0
New Public Dividend Capital received	14,698	0	0	14,698
Other reserve movements	0	0	0	0
Taxpayers' Equity at 31 March 2021	**87,334**	**53,620**	**120,891**	**261,845**

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (continued)

Taxpayers' Equity at 1 April 2019	**70,085**	**62,701**	**113,872**	**246,658**
Prior period adjustment	0	0	0	0
Taxpayers' Equity at 1 April 2019 - restated	**70,085**	**62,701**	**113,872**	**246,658**
Changes in taxpayers' equity for period 01/04/19 to 31/03/20				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	6,611	6,611
Impairments and reversals	0	(2,518)	0	(2,518)
Gains on revaluation	0	1,124	0	1,124
Other recognised gains and losses	0	(29)	0	(29)
Transfers between reserves	0	(292)	292	0
New Public Dividend Capital received	2,551	0	0	2,551
Balance at 31 March 2020	**72,636**	**60,986**	**120,775**	**254,397**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Cash flows from operating activities				
Operating surplus from continuing operations	**5,424**	11,989	**3,965**	11,018
Operating surplus	**5,424**	11,989	**3,965**	11,018
Non-cash income and expense:				
Depreciation and amortisation	**10,919**	8,558	**7,187**	6,730
Impairments and reversals	**1,348**	185	**1,348**	185
Income recognised in respect of capital donations (cash and non-cash)	**(1,323)**	(361)	**(1,323)**	(361)
(Increase)/Decrease in Trade and Other Receivables	**14,120**	27,623	**17,132**	29,300
(Increase)/Decrease in Inventories	**(8)**	(1,092)	**42**	(167)
Increase/(Decrease) in Trade and Other Payables	**5,660**	8,274	**5,302**	4,728
Increase/(Decrease) in Other Liabilities	**1,024**	(267)	**1,024**	(267)
Increase/(Decrease) in Provisions	**945**	(372)	**945**	(374)
Corporation Tax paid	**(33)**	(45)	**0**	0
Other movements in operating cash flows	**0**	0	**0**	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	**38,076**	54,492	**35,622**	50,792
Cash flows from investing activities				
Interest received	**17**	522	**868**	1,002
Purchase of financial assets	**0**	0	**0**	0
Sales of financial assets	**0**	0	**0**	0
Purchase of intangible assets	**(4,982)**	(916)	**(4,912)**	(916)
Sales of intangible assets	**0**	0	**0**	0
Purchase of Property, Plant and Equipment	**(23,600)**	(19,405)	**(18,845)**	(12,125)
Sales of Property, Plant and Equipment	**31**	13	**0**	13
Receipt of cash donations to purchase capital assets	**625**	307	**625**	307
Net cash generated from/(used in) investing activities	**(27,909)**	(19,479)	**(22,264)**	(11,719)
Cash flows from financing activities				
Public dividend capital received	**14,698**	2,551	**14,698**	2,551
Loans received from the Department of Health and Social Care	**0**	0	**0**	0
Loans repaid to the Department of Health and Social Care	**(1,248)**	(10,548)	**(1,248)**	(10,548)
Loans provided to subsidiary companies	**0**	0	**(6,610)**	(7,117)
Loans repaid by subsidiary companies	**0**	0	**3,580**	3,166
Capital element of finance lease rental payments	**0**	0	**0**	0
Interest paid	**(93)**	(250)	**(93)**	(250)
Interest element of finance lease	**0**	0	**0**	0
PDC Dividend paid	**(4,540)**	(5,443)	**(4,540)**	(5,443)
Net cash generated from/(used in) financing activities	**8,817**	(13,690)	**5,787**	(17,641)
Increase in cash and cash equivalents	**18,984**	21,323	**19,145**	21,432
Cash and Cash equivalents at 1 April	**80,552**	59,229	**79,479**	58,047
Cash and Cash equivalents at 31 March	**99,536**	80,552	**98,624**	79,479

NOTES TO THE ACCOUNTS

1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following 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.

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.

1.2 Going Concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

The Group achieved an outturn surplus position of £690k for 2020/21 (£7.1m for 2019/20). Excluding all non-recurrent receipt the Group position is £603k surplus. Year end cash balance remained at £99.5m for the group with no concerns in the next financial year.

The Trust has agreed an operating expenditure budget for 2021/22. The financial framework for 2021/22 is still evolving. The Trust has been notified of a likely funding allocation for the first six months of 2021/22 and is working with system partners on developing a plan that will ensure that the Trust is adequately funded, and that the financial performance of the wider Integrated Care System (ICS) meets NHSE/I regulator expectations for the period.

1.3 Consolidation

Subsidiaries

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the financial statements of the subsidiaries for the year. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary financial year end is before 1 January or after 1 July.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust has two wholly owned subsidiaries RSCH Pharmacy Ltd and Healthcare Partners Limited which have been consolidated into the 2020/21 and 2019/20 financial statements. In both 2020/21 and 2019/20, the Trust has not consolidated the NHS charitable funds, for which it is the corporate trustee.

RSCH Pharmacy Ltd was established in June 2014 and provides outpatient pharmacy services. Its turnover for the period ended 31st March 2021 was £14m, inclusive of sales to the Trust.

A second subsidiary, Healthcare Partners Limited, was established during the course of the 2017/18 financial year and incorporated on the 10th November 2017. The value of turnover by the subsidiary in the 2020/21 financial year is £43m and surplus for the year is £0.5m.

Joint Operations

The Trust has a joint operational arrangement with Frimley Health NHS Foundation Trust, Ashford & St Peter's Hospital NHS Foundation Trust and Royal Berkshire NHS Foundation Trust to provide Pathology services to the Hampshire, Berkshire and Surrey localities. All the organisations account for their own assets and liabilities relating to this joint operation with income and expenditure recognised in equal shares. This arrangement is then subject to a reconciliation process by the four organisations to identify and account for small local variations, such as medical staffing and leases. The main deviation to this allocation arrangement relates to Direct Access Referrals by General Practitioners, whereby 100% of the income is retained by the Trust providing the service but the costs are shared equally.

A bowel cancer screening service is operated jointly with Frimley Health NHS Foundation Trust where the income and expenditure is recognised in equal shares. Each organisation accounts for their own assets and liabilities.

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.

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following financial year, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is to consider whether a specific milestone or activity, as set out in the contractual agreement, has been achieved and if it has recognise the income attributable to that part of the contract.

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.

<u>2020/21</u>

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a [Integrated Care System/Sustainability and Transformation Partnership] level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to 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.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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 performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

1.5 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.

Other income

Revenue in respect of goods supplied is recognised when the goods are supplied, at the fair value of the consideration receivable.
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.

1.6 Expenditure on Employee Benefits

Short-term employee benefits

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

Pension costs

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

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.

1.8 Discontinued operation

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.

1.9 Property, plant and equipment

Recognition

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

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

Subsequent expenditure

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

Measurement

Valuation

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

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

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust has carried out a full revaluation of land and buildings on this basis since 30 November 2009, with the latest full revaluation taking place on 31 March 2019. In addition to the revaluation a full assessment of the lives of the buildings was carried out resulting in a number of reductions being made in the useful economic life of the Trust's estate. Full revaluations are planned for every five years. They are supplemented annually by either an interim valuation or desktop valuations in between each formal valuation.

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.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation ceased. 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.

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.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

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

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

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

Impairments
In accordance with the DHSC GAM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of:

- the impairment charged to operating expenses; and
- the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other 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.

1.10 Intangible assets

Recognition

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

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 following can be demonstrated to meet the requirements set out in IAS 38:

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

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of 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.

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:

	Years
Property	5 to 90
Medical equipment and engineering plant and equipment	5 to 15
Furniture	10
Mainframe information technology installations	7
Soft furnishings	7
Office and information technology equipment	5
Set-up costs in new buildings	10
Vehicles	7

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.

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

The trust as a lessee

Finance leases

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

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

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

Operating leases

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

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

Leases of land and buildings

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

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.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out method except for drugs where a dedicated stock system is used applying the weighted average cost method.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.13 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 Group's cash management. Cash, bank and overdraft balances are recorded at current values.

1.14 Provisions

The Group 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	Minus 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 2020:

	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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

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

Non-clinical risk pooling

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

1.15 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 29.1, 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 group'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.

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 29.2 where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.16 Financial assets and financial liabilities

Recognition

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

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

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 above.

All other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

Classification and Measurement

Financial assets 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 and financial liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Group's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Group intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Loans from the DHSC are not held for trading and are measured at historic cost with any unpaid interest accrued separately and charged to the Statement of Comprehensive Income.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices where possible, otherwise by valuation techniques.

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 Group recognises an allowance for expected credit losses.

The Group 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).

Credit losses are determined by reviewing each class of financial asset to identify any that are past their due date for settlement by more than sixty days. Any financial asset that is identified as being overdue by more than sixty days will be credit risk assessed and, where a potential for loss is identified, an impairment loss will be recognised.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Group therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the DHSC provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Group does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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.

1.17 Value Added Tax

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

Trading undertaken by the Trust's subsidiary companies will be subjected to the VAT rules applying at the time of the transactions, with output tax charged and input tax recovered at the applicable VAT rates.

1.18 Corporation Tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- Is the activity an authorised activity related to the provision of core healthcare?
  The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt.
- Is the activity actually or potentially in competition with the private sector?
  Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax.
- Are the annual profits significant?
  Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trust's activities are related to core healthcare and are not subject to tax. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the £50,000 tax threshold.

The Trust's subsidiary companies are trading companies which are subjected to corporation tax at the rates applying at the reporting date. The tax amount included in the 2020/21 financial period is £17k (2019/20 £33k).

1.19 Foreign exchange

The functional and presentational currencies of the Group are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Group has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. The Trust has no third party assets to disclose.

1.21 Accounting Estimates and Judgements

International accounting standard IAS1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of the evaluation is to consider whether there may be a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts. The following significant assumptions and areas of estimation and judgement have been considered in preparing these financial statements.

Critical Judgements

Value of land and buildings as detailed in note 15: This estimate is based upon the professional judgement of the Trust's Valuer who has extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

Provisions: Values for provisions are based upon data received from the NHS Pensions Agency, the NHS Litigation Authority, expert opinion from within the Trust and external professional advisors regarding when settlement will be made. The basis of those estimates is set out in note 28.

Impairment of Receivables: Outstanding invoiced receivables are reviewed monthly and any invoices that are greater than 60 days past their due date are assessed for impairment. Debtor type and length of association are factors taken into account when deciding whether an allowance should be made. The Trust does not hold collateral for any of its receivables.

Accrued expenditure: At the end of each financial year a review of expenditure is carried out to identify expected cost that has not yet been charged to the Group. Where goods have been received an accrual will be made based upon the value of the order placed with the supplier. Where services have been provided an estimate of the cost of those services will be made based upon either historical invoices received, where a charge has been made for a similar service, or the time spent delivering the service.

Accounting Estimates

Untaken annual leave: Data recorded on Health roster system is used to calculate annual leave year end accrual for the trust. Data from e-roster system represents 65% of trust workforce giving an extrapolated estimated £4.5m. The year on year increase/ decrease is accounted for as a salary cost/benefit and reported witin in note 8.1.

1.22 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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.

1.23 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.

1.24 Accounting standards, amendments and interpretations in issue but not yet effective or adopted

The following accounting standards, amendments and interpretations have been issued by the IASB but are not yet required to be adopted:

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 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 re-measurement 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 Trust has commenced the assessment of the application of IFRS 16 to its financial statements. This commenced with work to identify leases which are currently operating leases and should be reclassified as finance leases as well as a broader review of recurring expenditure streams where right to use assets may be embedded in contracting arrangements. The work has progressed to March 2020, when the Trust revised it operational priorities and working patterns to deal with the COVID19 pandemic and combined with the decision to defer the implementation of IFRS16 in the NHS to 1 April 2022 means that it has not been practical to complete this work or present it for audit. The work to identify the impact of this standard is expected to recommence in Autumn 2021. Although the value is not yet agreed it is likely to have a material impact on the financial statements.

Effective for future financial years:

IFRS 14 Regulatory Deferral Accounts	Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.25 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations.

2. Operating segments

The contribution variance for each Portfolio and Specialty Business Unit (SBU) is reported to the Chief Operating Decision Maker (CODM) monthly;
Operating results are not used by the CODM to make decisions about resource allocation to SBUs;
Discrete financial information is available by SBU monthly to the CODM.

		Access and Medicine	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
		2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	Car Parking income	0	0	0	0	0	0	6	0	0	0	6
	Cash donations / grants for the purchase of capital assets	0	0	0	0	0	0	0	1,323	0	0	1,323
	Catering	0	0	0	0	0	0	6	0	0	0	6
	CCG & NHSE Comm Income	19	27	0	296	350	18	40	389,073	0	0	389,823
	Charitable and other contributions to expenditure	0	16	0	0	0	0	0	540	0	0	556
	Department of Health	0	0	0	0	0	0	53	0	0	0	53
	Education and training	1,695	736	2,172	1,205	818	86	6,004	(7)	0	0	12,709
	Injury cost recovery scheme	0	0	0	0	0	0	0	79	0	0	79
	Local Authorities	0	0	0	0	0	0	0	0	0	0	0
	NHS Foundation Trusts	2,074	4,335	1,520	770	108	38	5	0	0	0	8,850
	NHS Other (including Public Health England)	0	0	10	0	0	0	0	0	0	0	10
	NHS Trusts	19	4	144	554	29	0	0	0	0	0	750
	Non NHS: Other	0	0	0	0	122	23	0	6	71	0	222
	Non NHS: private patients	163	284	1,349	1,573	62	0	0	0	0	0	3,431
	Non-NHS: Overseas Patients (non-reciprocal, chargeable to patient)	0	0	0	0	0	0	99	1	0	0	100
	Other income generation schemes	156	8,985	903	2,851	16	46	4,387	663	(53)	(2,301)	15,653
	Pharmacy sales	0	31	0	0	0	0	0	0	0	0	31
	Rental revenue from finance leases	0	0	2	1,326	2	0	661	13	0	(2,087)	(83)
	Research and development	75	134	71	428	16	0	25,005	(2,120)	0	0	23,609
Pay	Non-executive directors	0	0	0	0	0	0	(147)	0	0	0	(147)
	Pay Costs	(53,717)	(42,597)	(67,494)	(25,557)	(19,156)	(12,851)	(28,784)	(11,664)	(832)	(3,590)	(266,242)

ROYAL SURREY NHS FOUNDATION TRUST

		Access and Medicine	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
		2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-Pay	Audit fees and other auditor remuneration	0	0	0	0	0	0	(185)	0	(9)	(6)	(200)
	Clinical negligence	0	0	0	0	0	0	(11,066)	0	0	0	(11,066)
	Consultancy	0	(341)	0	(6)	(2)	0	(992)	(44)	0	(232)	(1,617)
	Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(6,370)	(2,873)	(3,676)	(36,543)	(566)	(125)	(36)	87	1,133	(1,017)	(49,986)
	Education and training - non-staff	(3)	(36)	(46)	(10)	(27)	(5)	(805)	(26)	(2)	(6)	(966)
	Establishment	(218)	(998)	(123)	(117)	(53)	(318)	(2,245)	(448)	(28)	(601)	(5,149)
	Operating lease expenditure	0	0	0	0	0	0	0	(33)	0	26	(7)
	Other	0	(282)	(301)	(13)	0	(484)	(514)	0	0	(1,290)	(2,884)
	Premises - business rates payable to local authorities	0	0	0	(150)	0	0	(1,376)	0	0	(53)	(1,579)
	Premises - other	(79)	(995)	(181)	(93)	(100)	(1,118)	(11,554)	(905)	(12)	(1,948)	(16,985)
	Purchase of healthcare from NHS bodies	(73)	(226)	(1,297)	(1,410)	(198)	(13)	(6,980)	(112)	0	(84)	(10,393)
	Purchase of healthcare from non-NHS bodies	(133)	(1,536)	(721)	(647)	5	(809)	(263)	22	0	0	(4,082)
	Redundancy costs - non-staff	0	(2)	(27)	(25)	(4)	0	(104)	(127)	0	(156)	(445)
	Research and development - non-staff	0	0	0	0	0	0	(12,147)	0	0	0	(12,147)
	Supplies and services – clinical (excluding drugs costs)	(9)	(8,799)	(395)	(51)	16	(12)	(116)	(6,404)	(7)	(22,438)	(38,215)
	Supplies and services - general	(5,916)	(5,217)	(16,943)	(8,350)	(1,302)	(757)	(11,722)	(3,031)	(6)	41,031	(12,213)
	Transport	(249)	(672)	(25)	(27)	(8)	(4)	(65)	(34)	0	0	(1,084)
	Movement in credit loss allowance on receivables and financial assets	(49)	(18)	(623)	148	(239)	15	(1,917)	(1,157)	(60)	(80)	(3,980)
	Amortisation: donated and government granted assets	0	0	0	0	0	0	(1)	0	0	0	(1)
Depreciation	Amortisation: owned assets	0	0	0	0	0	0	(231)	0	0	0	(231)
	Depreciation: donated and government granted assets	0	(21)	(31)	(96)	0	0	(185)	0	0	0	(333)
	Depreciation: owned assets	0	(246)	(46)	(982)	0	(64)	(5,282)	0	0	(3,732)	(10,352)
	Impairments net of (reversals)	0	0	0	0	0	0	0	841	0	0	841
Financing	Finance income	0	0	0	0	0	0	(17)	17	0	0	0

ROYAL SURREY NHS FOUNDATION TRUST

	Access and Medicine	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Loans from the Department of Health: capital loans	0	0	0	0	0	0	0	(72)	0	(16)	(88)
Other	0	0	0	0	0	0	0	(90)	0	0	(90)
PDC dividends payable/refundable	0	0	0	0	0	0	(1)	0	0	0	(1)
Corporation Tax Expense	0	0	0	0	0	0	0	(5,280)	0	0	(5,280)
Gains/ (Losses) on Disposal of Assets	0	0	0	0	0	0	0	0	(17)	0	(17)
Total	(62,615)	(50,307)	(85,758)	(64,926)	(20,111)	(16,334)	(60,469)	361,111	178	1,420	2,189

In prior years, CCG & NHSE commissioning Income was directly attributed to each segment on the basis of the specialty of patient the income related to, based on the PbR system of funding. However, in 2020/21, due to Covid, the vast majority of CCG & NHSE Commissioning Income was received by trust as Block payments to ensure that the Trust broadly covered its operating costs. There was no way of directly attributing these amounts to specific segments and therefore this income was recorded centrally in the Reserves segment. Additionally, Covid restrictions have led to reductions in Non-NHS income such as Car Parking and Catering Income and hence, these are significantly lower than in prior years.

2. Operating segments

The contribution variance for each Portfolio and Specialty Business Unit (SBU) is reported to the Chief Operating Decision Maker (CODM) monthly;
Operating results are not used by the CODM to make decisions about resource allocation to SBUs;
Discrete financial information is available by SBU monthly to the CODM.

		Access and Medicine	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
		2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	Car Parking income	0	0	0	0	0	0	1,333	0	0	0	1,333
	Cash donations / grants for the purchase of capital assets	0	0	0	0	0	0	0	361	0	0	361
	Catering	0	0	0	0	0	0	28	0	0	0	28
	CCG & NHSE Comm Income	85,586	17,652	111,938	86,574	29,757	14,967	47	3,088	0	0	349,609
	Charitable and other contributions to expenditure	0	0	0	0	0	0	0	277	0	0	277
	Department of Health & Social Care (DHSC)	0	0	0	0	0	0	15	0	0	0	15
	Donations of physical assets (non-cash)	1,759	738	2,092	1,153	782	121	4,361	0	0	0	11,006
	Education and training	0	0	0	0	0	0	0	495	0	0	495
	Injury cost recovery scheme	0	0	0	0	0	0	0	0	0	0	0
	Local Authorities	1,990	3,519	1,871	801	38	0	6	0	0	0	8,225
	NHS Foundation Trusts	0	0	12	0	0	0	0	0	0	0	12
	NHS Other (including Public Health England)	19	0	141	540	20	0	0	0	0	0	720
	NHS Trusts	0	(12)	1	0	196	26	0	96	102	0	409
	Non NHS: Other	88	399	1,840	2,645	72	0	0	0	0	0	5,044
	Non NHS: private patients	0	0	0	0	0	0	169	0	0	0	169
	Non-NHS: Overseas Patients (non-reciprocal, chargeable to patient)	504	8,773	960	2,869	41	108	4,491	38	(126)	(3,367)	14,291
	Other income generation schemes	0	4	0	0	0	0	0	0	12	0	16
	Pharmacy sales	0	0	2	1,326	0	0	2,066	13	0	(1,326)	2,081
	Rental revenue from finance leases	183	103	25	516	0	0	23,330	0	0	0	24,157
	Research and development	0	0	0	0	0	0	0	0	0	0	0
	Staff accommodation rental	0	0	0	0	0	0	0	8,727	0	0	8,727
	STF Funding	0	0	0	0	0	0	0	0	0	0	0
Pay	Non-executive directors	0	0	0	0	0	0	(141)	0	0	0	(141)
	Pay Costs	(48,443)	(39,443)	(64,660)	(25,375)	(17,747)	(11,183)	(25,504)	(10,831)	(764)	(3,149)	(247,099)
Non-Pay	Audit fees and other auditor remuneration	0	0	0	0	0	0	(198)	0	(8)	(30)	(236)
	Clinical negligence	0	0	0	0	0	0	(10,305)	0	0	0	(10,305)
	Consultancy	(4)	(263)	(9)	9	0	0	(1,317)	(74)	0	(361)	(2,019)

ROYAL SURREY NHS FOUNDATION TRUST

		Access and Medicine	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
		2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	**2019/20**
		£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
	Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(6,801)	(2,634)	(4,322)	(33,607)	(670)	(48)	(50)	120	1,166	(1,014)	(47,860)
	Education and training - non-staff	(31)	(42)	(151)	(66)	(8)	(2)	(894)	(18)	(6)	(22)	(1,240)
	Establishment	(366)	(1,159)	(278)	(221)	(111)	(413)	(2,882)	(177)	(6)	(488)	(6,101)
	Increase/(decrease) in impairment of receivables	(1)	(261)	(430)	(46)	(17)	(2,068)	(570)	5	0	(960)	(4,348)
	Operating lease expenditure	(33)	(9)	(700)	0	(163)	(28)	(1,794)	408	(64)	(98)	(2,481)
	Other	0	0	0	0	0	0	(1,502)	0	0	0	(1,502)
	Premises - business rates payable to local authorities	(71)	(603)	(171)	(69)	(15)	586	(9,125)	124	(14)	(656)	(10,014)
	Premises - other	(56)	(172)	(2,074)	(1,526)	(243)	(4)	(4,885)	167	0	(92)	(8,885)
	Purchase of healthcare from NHS bodies	(258)	(1,943)	(1,863)	(2,417)	(53)	(1,180)	(3)	0	0	0	(7,717)
	Purchase of healthcare from non-NHS bodies	(5)	(12)	(12)	0	0	0	(63)	(52)	0	0	(144)
	Redundancy costs - non-staff	0	0	0	0	0	0	(11,190)	0	0	0	(11,190)
	Research and development - non-staff	(743)	(6,221)	(659)	(545)	(333)	80	(223)	12	(6)	(23,958)	(32,596)
	Supplies and services – clinical (excluding drugs costs)	(4,840)	(4,971)	(18,623)	(7,887)	(821)	(937)	(10,453)	(331)	(5)	37,730	(11,138)
	Supplies and services - general	(26)	(671)	(6)	(11)	(2)	(1)	(49)	0	0	0	(766)
	Transport	0	0	0	0	0	0	0	(437)	0	(27)	(464)
	Amortisation: donated and government granted assets	0	0	0	0	0	0	(1)	0	0	0	(1)
Depreciation	Amortisation: owned assets	0	0	0	0	0	0	(251)	0	0	0	(251)
	Depreciation: donated and government granted assets	(2)	(49)	(36)	(100)	(13)	0	(175)	12	0	(12)	(375)
	Depreciation: owned assets	(138)	(120)	(94)	(995)	(59)	(73)	(5,066)	430	0	(1,816)	(7,931)
	Impairments net of (reversals)	0	0	0	0	0	0	0	(184)	0	0	(184)
Financing	Finance income	0	0	0	0	0	0	115	490	0	(98)	507
	Gains/ (Losses) on Disposal of Assets	0	0	0	0	0	0	0	(220)	0	0	(220)
	Loans from the DHSC: capital loans	0	0	0	0	0	0	0	(1)	0	0	(1)
	Other	0	0	0	0	0	0	0	(5,171)	0	0	(5,171)
	PDC dividends payable/refundable	0	0	0	0	0	0	0	0	(33)	0	(33)
	Tax	0	0	0	0	0	0	0	0	0	0	0
		28,311	**(27,397)**	**24,794**	**23,568**	**10,651**	**(49)**	**(50,680)**	**(2,633)**	**248**	**256**	**7,069**

3.1 Income from healthcare activities (by nature)	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Acute services				
Block contract / system envelope income	**287,586**	212,283	**287,586**	212,283
High cost drugs income from commissioners	**44,421**	39,663	**44,421**	39,663
Other NHS clinical income	**36,238**	82,577	**36,238**	82,577
Community Services				
Block contract / system envelope income	**14,592**	14,967	**14,592**	14,967
All services				
Private patient income	**3,430**	5,044	**3,430**	5,044
AfC pay award central funding		0	**0**	0
Additional pension contribution central funding	**10,009**	9,092	**10,009**	9,092
Other clinical income	**402**	1,072	**330**	970
Total income from activities	**396,678**	364,698	**396,606**	364,596

3.2 Income from healthcare activities (by source)	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
NHS England	**141,315**	134,211	**141,315**	134,211
Clinical Commissioning Groups	**241,866**	215,398	**241,866**	215,398
NHS Foundation Trusts	**8,852**	8,225	**8,852**	8,225
NHS Trusts	**750**	720	**750**	720
Local Authorities	**0**	0	**0**	0
Department of Health and Social Care (DHSC)	**19**	15	**19**	15
NHS other	**44**	12	**44**	12
Non-NHS:				
Private Patients	**3,430**	5,044	**3,430**	5,044
Overseas Patients (charged directly by the Trust)	**100**	169	**100**	169
Injury Costs Recovery Scheme	**79**	495	**79**	495
Other	**223**	409	**151**	307
	396,678	364,698	**396,606**	364,596

Injury cost recovery income is subject to a provision for impairment of receivables of 22.43% (21.79%) to reflect expected rates of collection.

3.3 Income from Overseas Patients	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Income recognised this year	**100**	169	**100**	169
Cash payments received in-year (relating to invoices raised in current and previous years)	**54**	112	**54**	112
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	**0**	0	**0**	0
Amounts written off in-year (relating to invoices raised in current and previous years)	**24**	65	**24**	65

4. Other Operating Revenue	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Research and Development	**18,016**	24,157	**18,016**	24,157
Education and Training	**12,709**	11,006	**12,709**	11,006
Reimbursement and top up funding	**16,651**	0	**16,651**	0
Donated equipment from DHSC for Covid response	**752**	0	**752**	0
Contribution to expenditure - receipt of inventory and equipment for Covid response	**5,789**	0	**5,789**	0
Charitable and other contributions to expenditure - revenue	**556**	277	**556**	277
Charitable and other contributions to expenditure - capital	**571**	361	**571**	361
Provider Sustainability Fund income	**0**	8,727	**0**	8,727
Clinical tests	**8,625**	7,792	**8,625**	7,792
Pharmacy sales	**31**	16	**0**	4
Property rentals	**649**	2,081	**649**	3,407
Other revenue	**6,113**	7,861	**10,728**	11,359
	70,462	62,278	**75,046**	67,090
	0		0	

Included in Research & Development income is £12,976k (2019/20 £10,461k) where the Trust has acted as a host for the Clinical Research Network service and distributed the income to other third party organisations.

5. Revenue analysis

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

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	**0**	443	**0**	443
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	**0**	0	**0**	0
	0	500	**0**	500

5.2 Transaction price allocated to remaining performance obligations

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:				
within one year	**0**	0	**0**	0
after one year, not later than five years	**0**	0	**0**	0
after five years	**0**	0	**0**	0
Total revenue allocated to remaining performance obligations	**0**	0	**0**	0

5.3 Revenue from goods and services

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
Rendering of services	**467,109**	426,960	**471,648**	431,682
Sale of goods	**31**	16	**4**	4
	467,140	426,976	**471,652**	431,686

5.4 Revenue arising from commissioner requested services and non-commissioner requested services

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Commissioner requested services	**396,678**	321,537	**396,606**	321,537
Non-Commissioner requested services	**70,462**	105,439	**75,046**	110,149
	467,140	426,976	**471,652**	431,686

The Trust is working with its commissioners to determine the level of commissioner requested services currently provided. Within the 2020-21 financial statements management has taken the view to define the following as commissioner requested services:

- where the Trust had a service level agreement with a commissioner, there are indicative levels of activity contained within that agreement in the previous years,
- all activity linked to those agreements is a commissioner requested service and the block income payment were agreed by national team for 200/21

5.5 Fees and charges (income generation)

	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Fees and charges raised under legislation - prescription charges	**33**	90	**0**	0

6. Operating Expenses	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Purchase of healthcare from NHS and DHSC bodies	3,173	3,894	3,173	3,894
Purchase of healthcare from non NHS bodies	4,782	8,403	4,773	8,403
Employee Expenses - Staff and Executive directors	276,251	247,098	271,812	243,185
Employee Expenses - Non-executive directors	147	141	147	141
Drug costs	50,027	47,871	50,142	47,962
Supplies and services - clinical	38,080	32,609	15,629	8,639
Supplies and services - general	19,685	16,343	60,618	54,369
Rentals under operating leases - minimum lease payments	2,628	4,353	1,600	3,392
Establishment	5,391	6,468	4,794	5,964
Research and Development	12,147	11,190	12,147	11,190
Transport	1,093	749	1,093	749
Premises	18,418	11,359	16,393	10,687
Increase/(decrease) in provision for impairment of receivables	125	464	125	437
Increase/(decrease) in other provisions	967	(379)	946	(380)
Inventories written down (net including drugs)	657	0	606	0
Change in provisions discount rate(s)	3	7	3	7
Depreciation	10,687	8,305	6,955	6,477
Amortisation on intangible assets	232	253	232	253
Impairments/(Reversal of Impairments) of property, plant and equipment	1,348	185	1,348	185
Audit fees - Statutory audit	95	101	80	72
Other auditor's remuneration:				
Further assurance services - Quality Accounts review	0	6	0	6
Advisory Services	0	0	0	0
Internal Audit & Counter Fraud services	91	121	91	121
Clinical negligence - amounts payable to the NHSLA (premiums)	11,066	10,305	11,066	10,305
Legal Fees	307	317	265	307
Consultancy costs	1,617	2,019	1,405	1,657
Training, courses and conferences	973	1,232	970	1,205
Insurance	348	239	279	179
Redundancy & early retirements	168	19	68	19
Losses, ex gratia and special payments	293	850	247	780
Other	917	465	680	463
	461,716	414,987	**467,687**	420,668

Included in Research & Development expenditure is £12,147k (2019/20 £11,190k) where the Trust has acted as a host for the service and distributed the income to other third party organisations.

Included in Supplies and services clinical expenditure is £5,020k utilisation of donated consumables (personal protective equipment) for Covid response.

Supplies and services - general includes £195k for the cost of donated equipment for COVID response below the capitalisation threshold.

Inventories written down includes all inventory write downs (including £128k inventories donated for COVID response)

Audit liability cap

The contract dated 22 December 2017 states that the liability of KPMG, its members, partners and staff (where in contract, negligence or otherwise) shall in no circumstances exceed £1,000,000, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

Auditor's remuneration	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Audit services - statutory audit	**95**	89	**80**	60
Audit services - audit related regulatory reporting	**0**	5	**0**	5
Advisory services	**0**	0	**0**	0
	95	94	**80**	65

This disclosure of auditors' remuneration excludes irrecoverable VAT.

7. Operating Leases

7.1 As lessee

	Group		Trust	
Payments recognised as an expense	**2020/21**	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Minimum lease payments	**2,628**	4,353	**1,600**	3,392
Total	**2,628**	4,353	**1,600**	3,392

Future minimum lease payments due on land leases				
Payable:	**£000**	£000	**£000**	£000
Not later than one year	**0**	131	**0**	0
Between one and five years	**0**	524	**0**	0
After 5 years	**0**	5,110	**0**	0
Total	**0**	5,765	**0**	0

Future minimum lease payments due on building leases				
Payable:	**£000**	£000	**£000**	£000
Not later than one year	**2,965**	1,414	**1,242**	1,381
Between one and five years	**4,541**	1,439	**801**	1,381
After 5 years	**9,803**	3,130	**8,634**	3,130
	17,309	5,983	**10,677**	5,892

Future minimum lease payments due on other leases				
Payable:	**£000**	£000	**£000**	£000
Not later than one year	**1,210**	1,009	**80**	37
Between one and five years	**3,159**	3,265	**26**	49
After 5 years	**1,083**	303	**0**	0
	5,452	4,577	**106**	86

7.2 As Lessor

A number of lease agreements have been entered into by the Trust allowing the use of land and/or buildings on the main Royal Surrey Hospital site. The provisions of IAS 17 have been considered with the conclusion that all of these leases should be accounted for as operating leases.

Rental Revenue	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Other	**649**	2,081	**649**	3,407
Total rental revenue	**649**	2,081	**649**	3,407

Future minimum lease receipts due on land leases				
	£000	£000	**£000**	£000
Not later than one year	**433**	433	**433**	433
Between one and five years	**1,732**	1,732	**1,732**	1,732
After 5 years	**31,092**	31,502	**31,092**	31,502
Total	**33,257**	33,667	**33,257**	33,667

Future minimum lease receipts due on building leases

	£000	£000	**£000**	£000
Not later than one year	**202**	392	**202**	392
Between one and five years	**625**	1,298	**625**	1,298
After 5 years	**864**	876	**864**	876
Total	**1,691**	2,566	**1,691**	2,566

8. Employee benefits

8.1 Employee benefits

	Group		**Trust**	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Salaries and wages	**183,563**	183,563	**180,462**	180,462
Social Security Costs	**19,214**	19,214	**18,890**	18,890
Apprenticeship levy	**917**	917	**885**	885
Employer contributions to NHS Pension scheme	**30,133**	30,133	**29,922**	29,922
Pension cost - other	**98**	98	**38**	38
Termination benefits	**126**	126	**126**	126
Agency/contract staff	**13,638**	13,638	**13,387**	13,387
Total staff costs	**247,689**	247,689	**243,710**	243,710
Of which costs capitalised as part of assets	**465**	465	**465**	465

Within the accounts payable note £663k (2018/19 £612k) has been included as an estimate of annual leave not taken as at 31/03/2020. The adjustment of £51k has had the impact of increasing staff costs within the accounting period.

8.2 Retirements due to ill-health

During the accounting period there was 1 (2019/20 there was 2) early retirement from the NHS Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £30k. (2019/20 £39k). The cost of ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8.3 Directors' remuneration and other benefits - Group and Trust

	2020/21					2019/20
	Remuneration	**Employers National Insurance**	**Employers Pension Contributions**	**Benefits In Kind**	**Total**	Total
	£000	**£000**	**£000**	**£000**	**£000**	£000
Executive Directors	**1,034**	**135**	**120**	**0**	**1,289**	1,202
Non-Executive Directors	**137**	**10**	**0**	**0**	**147**	141
Total	**£1,171**	**£145**	**£120**	**£0**	**£1,436**	£1,343

There were performance bonuses of £34k paid during the year related to the 2019/20 financial year. The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was five (2019/20 five).

9. Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health 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 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 its recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

10. Better Payment Practice Code - Group and Trust

10.1.1 Better Payment Practice Code - Group measure of compliance	**2020/21**		2019/20	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**87,117**	**181,736**	110,998	169,278
Total Non NHS trade invoices paid within target	**81,497**	**171,579**	101,570	149,140
Percentage of Non-NHS trade invoices paid within target	**94%**	**94%**	92%	88%
Total NHS trade invoices paid in the year	**1,958**	**20,832**	1,934	14,402
Total NHS trade invoices paid within target	**1,471**	**18,141**	1,573	12,096
Percentage of NHS trade invoices paid within target	**75%**	**87%**	81%	84%

10.1.2 Better Payment Practice Code - Trust measure of compliance	**2020/21**		2019/20	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**47,431**	**124,353**	64,961	115,115
Total Non NHS trade invoices paid within target	**42,804**	**117,048**	57,411	98,398
Percentage of Non-NHS trade invoices paid within target	**90%**	**94%**	88%	85%
Total NHS trade invoices paid in the year	**1,796**	**20,424**	1,804	13,790
Total NHS trade invoices paid within target	**1,356**	**17,772**	1,476	11,730
Percentage of NHS trade invoices paid within target	**76%**	**87%**	82%	85%

The Better Payment Practice Code requires the Group to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

Claims totalling £0 were made and paid under this legislation in this financial year (2018/19 £0).

11. Finance Income	**Group**		**Trust**	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Interest on bank accounts	**0**	506	**0**	506
Interest on other investments / financial assets	**0**	0	**852**	479
Total	**0**	506	**852**	985

12. Finance Costs

Finance Costs - interest expense	**Group**		**Trust**	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Interest on Loans from DHSC	**89**	220	**89**	220
Finance leases	**0**	0	**0**	0
Other - payment penalty	**0**	0	**0**	0
Total	**89**	**220**	**89**	**220**

13. Corporation Tax

	Group		**Trust**	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
UK corporation tax expense	**17**	33	**0**	0
Adjustments in respect of prior years	**0**	0	**0**	0
Current tax expense	**17**	33	**0**	0

14. Intangible assets - Group

2020/21	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
Gross cost at 1 April 2020	2,294	942	615	3,851
Impairments charged to revaluation reserve	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Additions - purchased	5,415	0	0	5,415
Additions - donated	0	0	0	0
Additions - internally generated	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Gross cost at 31 March 2021	**7,709**	**942**	**615**	**9,266**
Amortisation at 1 April 2020	1,775	657	0	2,432
Provided during the year	232	0	0	232
Impairments recognised in the income and expenditure account	0	0	0	0
Reversal of impairments recognised in the income and expenditure account	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Amortisation at 31 March 2021	**2,007**	**657**	**0**	**2,664**
Net book value				
Purchased	5,700	285	615	6,600
Donated	2	0	0	2
Government granted	0	0	0	0
Total at 31 March 2021	**5,702**	**285**	**615**	**6,602**

Only purchased computer software, that has a financial benefit to the Trust, has been capitalised. These assets are amortised over a maximum period of five years.

Intangible assets - Group (continued)

Prior Year - Group

2019/20	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
Gross cost at 1 April 2019	1,949	942	0	2,891
Impairments charged to revaluation reserve	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Additions - purchased	345	0	615	960
Additions - donated	0	0	0	0
Additions - internally generated	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Gross cost at 31 March 2020	**2,294**	**942**	**615**	**3,851**
Amortisation at 1 April 2019	1,577	602	0	2,179
Provided during the year	198	55	0	253
Impairments recognised in the income and expenditure account	0	0	0	0
Reversal of impairments recognised in the income and expenditure account	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Amortisation at 31 March 2020	**1,775**	**657**	**0**	**2,432**
Net book value				
Purchased	517	285	615	1,417
Donated	2	0	0	2
Government granted	0	0	0	0
Total at 31 March 2020	**519**	**285**	**615**	**1,419**

Only purchased computer software, that has a financial benefit to the Trust, has been capitalised. These assets are amortised over a maximum period of five years.

15. Property, plant and equipment - Group 2020/21	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	23,019	143,218	0	4,619	36,982	72	14,992	188	223,090
Additions - purchased	0	9,490	0	1,835	5,362	0	2,846	0	19,533
Additions - donated cash receipts	0	275	0	0	294	0	2	0	571
Additions - donated non-cash receipts	0	0	0	0	752	0	0	0	752
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	0	(7,812)	0	0	0	0	0	0	(7,812)
Reclassifications	0	4,064	0	(4,064)	0	0	0	0	0
Revaluation surpluses	0	446	0	0	0	0	0	0	446
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals/ de-recognition	0	0	0	0	(126)	0	(223)	0	(349)
Cost or valuation at 31 March 2021	**23,019**	**149,681**	**0**	**2,390**	**43,264**	**72**	**17,617**	**188**	**236,231**
Depreciation at 1 April 2020	0	15,146	0	0	10,939	57	11,179	136	37,457
Provided during the year	0	3,600	0	0	5,505	3	1,570	9	10,687
Acquisition through business combination									0
Impairments recognised in operating expenses	0	1,348	0	0	0	0	0	0	1,348
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals/ de-recognition	0	0	0	0	(79)	0	(132)	0	(211)
Depreciation at 31 March 2021	**0**	**20,094**	**0**	**0**	**16,365**	**60**	**12,617**	**145**	**49,281**
Net book value									
Owned at 31 March 2021	23,019	123,314	0	2,390	25,359	12	4,958	43	179,095
Finance Leased at 31 March 2021	0	0	0	0	0	0	0	0	0
Donated at 31 March 2021	0	6,273	0	0	1,540	0	42	0	7,855
Total at 31 March 2021	**23,019**	**129,587**	**0**	**2,390**	**26,899**	**12**	**5,000**	**43**	**186,950**

A full valuation of the land and buildings was carried out on the 31st March 2019. In between formal valuations, a desktop or interim valuation, using relevant land and building indices, is carried out.

The valuation exercise for the trust was carried out in March 2021 with a valuation date of 31 March 2021, by Cushman & Wakefield Debenham Tie Leung Ltd, with the valuing partner being an RICS registered valuer.

15. Property, plant and equipment - Trust 2020/21	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	23,019	143,218	0	4,619	19,955	72	14,992	188	206,063
Additions - purchased	0	9,490	0	1,835	798	0	2,845	0	14,968
Additions - donated cash receipts	0	275	0	0	294	0	2	0	571
Additions - donated non-cash receipts	0	0	0	0	752	0	0	0	752
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	0	(7,812)	0	0	0	0	0	0	(7,812)
Reclassifications	0	4,064	0	(4,064)	0	0	0	0	0
Revaluation surpluses	0	446	0	0	0	0	0	0	446
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals / De-recognition	0	0	0	0	0	0	(223)	0	(223)
Cost or valuation at 31 March 2021	**23,019**	**149,681**	**0**	**2,390**	**21,799**	**72**	**17,616**	**188**	**214,765**
Depreciation at 1 April 2020	0	15,146	0	0	7,918	57	11,179	136	34,436
Provided during the year	0	3,600	0	0	1,773	3	1,570	9	6,955
Impairments recognised in operating expenses	0	1,348	0	0	0	0	0	0	1,348
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	(132)	0	(132)
Depreciation at 31 March 2021	**0**	**20,094**	**0**	**0**	**9,691**	**60**	**12,617**	**145**	**42,607**
Net book value									
Owned at 31 March 2021	23,019	123,314	0	2,390	10,568	12	4,957	43	164,303
Finance Leased at 31 March 2021	0	0	0	0	0	0	0	0	0
Donated at 31 March 2021	0	6,273	0	0	1,540	0	42	0	7,855
Total at 31 March 2021	**23,019**	**129,587**	**0**	**2,390**	**12,108**	**12**	**4,999**	**43**	**172,158**

A full valuation of the land and buildings was carried out on the 31st March 2019. In between formal valuations a desktop or interim valuation, using relevant land and building indices, is carried out.
The valuation exercise for the trust was carried out in March 2021 with a valuation date of 31 March 2021, by Cushman & Wakefield Debenham Tie Leung Ltd, with the valuing partner being an RICS registered valuer.

Prior Year - Group 2019/20	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	23,328	138,090	0	1,546	34,713	72	14,432	265	212,446
Additions - purchased	0	5,019	0	3,860	10,119	0	1,084	12	20,094
Additions - donated cash receipts	0	1	0	302	49	0	9	0	361
Additions - donated non-cash receipts	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	(39)	0	0	0	(1,270)	0	0	0	(1,309)
Impairments charged to revaluation reserve	(308)	(2,210)	0	0	0	0	0	0	(2,518)
Reclassifications	0	1,089	0	(1,089)	0	0	0	0	0
Revaluation surpluses	36	1,088	0	0	0	0	0	0	1,124
Reversal of impairments credited to operating expenses	2	141	0	0	0	0	0	0	143
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	0	(6,629)	0	(533)	(89)	(7,251)
Cost or valuation at 31 March 2020	**23,019**	**143,218**	**0**	**4,619**	**36,982**	**72**	**14,992**	**188**	**223,090**
Depreciation at 1 April 2019	0	11,643	0	0	15,256	54	10,214	177	37,344
Provided during the year	0	3,503	0	0	3,293	3	1,498	8	8,305
Impairments recognised in operating expenses	0	0	0	0	(981)	0	0	0	(981)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	0	(6,629)	0	(533)	(49)	(7,211)
Depreciation at 31 March 2020	**0**	**15,146**	**0**	**0**	**10,939**	**57**	**11,179**	**136**	**37,457**
Net book value									
Owned at 31 March 2020	23,019	121,738	0	4,317	24,813	15	3,757	52	177,711
Finance Leased at 31 March 2020	0	0	0	0	0	0	0	0	0
Donated at 31 March 2020	0	6,334	0	302	1,230	0	56	0	7,922
Total at 31 March 2020	**23,019**	**128,072**	**0**	**4,619**	**26,043**	**15**	**3,813**	**52**	**185,633**

During the year, the Trust sold plant and machinery with a net book value of £6,444k to its subsidiary company Healthcare Partners Ltd. Those assets had a cumulative depreciation value of £14,966m which has been removed from both gross cost and cumulative depreciation using the disposals/ de-recognition line in the assets table.

Prior Year - Trust

2019/20	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	23,328	138,090	0	1,546	26,620	72	14,432	265	204,353
Additions - purchased	0	5,019	0	3,860	2,563	0	1,084	12	12,538
Additions - donated cash receipts	0	1	0	302	49	0	9	0	361
Additions - donated non-cash receipts	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	(39)	0	0	0	(1,270)	0	0	0	(1,309)
Impairments charged to revaluation reserve	(308)	(2,210)	0	0	0	0	0	0	(2,518)
Reclassifications	0	1,089	0	(1,089)	0	0	0	0	0
Revaluation surpluses	36	1,088	0	0	0	0	0	0	1,124
Reversal of impairments credited to operating expenses	2	141	0	0	0	0	0	0	143
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals / De-recognition	0	0	0	0	(8,007)	0	(533)	(89)	(8,629)
Cost or valuation at 31 March 2020	**23,019**	**143,218**	**0**	**4,619**	**19,955**	**72**	**14,992**	**188**	**206,063**
Depreciation at 1 April 2019	0	11,643	0	0	15,107	54	10,214	177	37,195
Provided during the year	0	3,503	0	0	1,465	3	1,498	8	6,477
Impairments recognised in operating expenses	0	0	0	0	(981)	0	0	0	(981)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(6,547)	0	(533)	(49)	(7,129)
Depreciation at 31 March 2020	**0**	**15,146**	**0**	**0**	**9,044**	**57**	**11,179**	**136**	**35,562**
Net book value									
Owned at 31 March 2020	23,019	121,738	0	4,317	9,934	15	3,757	52	162,832
Finance Leased at 31 March 2020	0	0	0	0	0	0	0	0	0
Donated at 31 March 2020	0	6,334	0	302	977	0	56	0	7,669
Total at 31 March 2020	**23,019**	**128,072**	**0**	**4,619**	**10,911**	**15**	**3,813**	**52**	**170,501**

16. Impairments

Impairment of assets (PPE & intangibles)	Group		Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Equipment assets identified for transfer to subsidiary company	**0**	289	**0**	289
Changes in market price	**1,348**	(104)	**1,348**	(104)
Total net impairments charged to operating surplus/deficit	**1,348**	185	**1,348**	185
Impairments charged to the revaluation reserve	**7,812**	2,518	**7,812**	2,518
Total net impairments	**9,160**	2,703	**9,160**	2,703

17. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	£000	£000	**£000**	£000
Property, plant and equipment	**1,769**	4,973	**1,574**	3,482
Total	**1,769**	4,973	**1,574**	3,482

The major commitments are:	£000		
Medical Equipment	194	- Group	Complete in 2021/22
Haste	89	- Group & Trust	Complete in 2021/22
Infrastructure Refurbishments	65	- Group & Trust	Complete in 2021/22
Milford Diagnostics	496	- Group & Trust	Complete in 2021/22
MRI Scanner	88	- Group & Trust	Complete in 2021/22
Surrey Safe Care	290	- Group & Trust	Complete in 2021/22
St Luke	547	- Group & Trust	Complete in 2021/22

18. Inventories

18.1 Inventories	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	£000	£000	**£000**	£000
Drugs	**3,232**	3,467	**2,359**	2,544
Consumables	**3,924**	4,081	**511**	767
Energy	**89**	136	**89**	137
PPE	**447**	0	**447**	0
	7,692	7,684	**3,406**	3,448

18.2 Inventories recognised in expenses	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	**£000**	£000
Inventories recognised as an expense in the period	**70,560**	65,265	**35,669**	33,719
Write-down of inventories (including losses)	**657**	699	**478**	630
Total	**71,217**	65,964	**36,147**	34,349

19. Trade and other receivables

19.1 Trade and other receivables

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Current	**£000**	£000	**£000**	£000
Contract receivables: invoiced	**8,933**	14,254	**8,621**	14,536
Contract receivables: not yet invoiced/non invoiced	**3,928**	12,053	**4,001**	13,526
Capital receivables	**19**	54	**19**	54
Allowance for impaired contract receivables	**(662)**	(574)	**(662)**	(547)
Allowance for impaired other receivables	**(127)**	(279)	**(126)**	(279)
Prepayments	**3,115**	1,889	**1,590**	910
PDC dividend receivable	**740**	329	**740**	329
VAT receivable	**1,537**	3,274	**1,635**	2,310
Other receivables	**158**	963	**158**	2,469
Total Current	**17,641**	31,963	**15,976**	33,308
Non-current				
Non NHS receivables	**788**	590	**788**	590
Non NHS capital receivables	**0**	0	**0**	0
Allowance for impaired other receivables	**(176)**	(128)	**(176)**	(128)
Total Non-current	**612**	462	**612**	462
Total Trade and other receivables	**18,253**	32,425	**16,588**	33,770

19.2 Allowances for credit losses (doubtful debts)

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	£000	£000	**£000**	£000
At 1 April	**981**	592	**954**	592
New allowances arising	**346**	505	**346**	478
Change in the calculation of existing allowances	**5**	0	**5**	0
Utilisation of allowances (where receivable is written off)	**(96)**	(75)	**(96)**	(75)
Reversals of allowances (where receivable is collected in-year)	**(271)**	(41)	**(245)**	(41)
Balance at 31 March	**965**	981	**964**	954

20. Other financial assets

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	£000	£000	**£000**	£000
Loan and receivables - current	**0**	0	**5,123**	3,959
Loan and receivables - non-current	**0**	0	**11,793**	9,927
Total	**0**	0	**16,916**	13,886

21. Trade and other payables

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Current	**£000**	£000	**£000**	£000
Receipts in advance	**5**	325	**5**	325
NHS payables	**5,988**	3,796	**5,988**	3,756
Trade payables - capital, including capital accruals	**1,357**	4,420	**1,357**	4,144
Other trade payables	**11,086**	8,803	**8,398**	7,205
Taxes payable	**5,992**	5,466	**5,914**	5,318
Other payables	**7,025**	5,687	**7,020**	5,652
Accruals	**14,610**	14,985	**13,695**	13,548
Total Current	**46,063**	43,482	**42,377**	39,948
Non Current				
Other payables	**43**	43	**43**	43
Total Non Current	**43**	43	**43**	43
Total Trade and other payables	**46,106**	43,525	**42,420**	39,991

Other payables include:

£3,381k outstanding pensions contributions at 31 March 2021 (£3,125k at 31 March 2020) for the Group.
£3,377k outstanding pensions contributions at 31 March 2020 (£3,104k at 31 March 2020) for the Trust.

22. Other liabilities

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Current	**£000**	£000	**£000**	£000
Deferred income - contract liability	**1,963**	927	**1,963**	1,065
Deferred grants	**0**	0	**0**	0
Total Current	**1,963**	927	**1,963**	1,065
Non-current				
Deferred income - contract liability	**850**	862	**850**	862
Total Non-current	**850**	862	**850**	862
Total Other liabilities	**2,813**	1,789	**2,813**	1,927

23. Borrowings

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Current	**£000**	£000	**£000**	£000
Capital loans from DHSC	**1,261**	1,263	**1,261**	1,263
Working capital loans from DHSC	**0**	0	**0**	0
Total Current	**1,261**	1,263	**1,261**	1,263
Non-current				
Capital loans from DHSC	**3,468**	4,717	**3,468**	4,717
Working capital loans from DHSC	**0**	0	**0**	0
Total Non-current	**3,468**	4,717	**3,468**	4,717
Total Borrowings	**4,729**	5,980	**4,729**	5,980

24. Finance lease obligations

Neither the Group nor the Trust have any finance lease obligations.

25. Finance lease commitments

Neither the Group nor the Trust have any finance lease commitments.

26. Private Finance Initiative contracts

There are no PFI schemes to report for the year ending 31 March 2021.

27. Cash and cash equivalents

	Group		Trust	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	£000	£000	**£000**	£000
At 1 April	**80,552**	59,229	**79,479**	58,047
Net change in year	**18,984**	21,323	**19,145**	21,432
At 31 March	**99,536**	80,552	**98,624**	79,479
Broken down into:				
Cash at commercial banks and in hand	**1,139**	1,530	**227**	457
Cash with the Government Banking Service	**98,397**	79,022	**98,397**	79,022
Cash and cash equivalents as in Statement of Financial Position	**99,536**	80,552	**98,624**	79,479
Bank overdraft				
Cash and cash equivalents as in Statement of Cash Flows	**99,536**	80,552	**98,624**	79,479

28. Provisions for liabilities and charges - Group

	Current	Non-current	Current	Non-current
	31 March 2021	**31 March 2021**	31 March 2020	31 March 2020
	£000	**£000**	£000	£000
Pensions - early departure costs	**19**	**149**	18	164
Legal claims	**48**	**0**	33	0
Other	**2,224**	**0**	1,280	0
Total	**2,291**	**149**	1,331	164

	Pensions relating to other staff	Legal claims	Redundancy	Other	Total
£000	**£000**		**£000**	**£000**	**£000**
At 1 April 2020	182	33	0	1,280	**1,495**
Change in Discount Rates	3	0	0	0	**3**
Arising during the period - accruals	3	33	0	1,415	**1,451**
Utilised during the period - cash	(5)	0	0	(45)	**(50)**
Utilised during the period	(14)	(10)	0	0	**(24)**
Reversed unused	0	(8)	0	(426)	**(434)**
Unwinding of discount	(1)	0	0	0	**(1)**
At 31 March 2021	**168**	**48**	**0**	**2,224**	**2,440**
Expected timing of cash flows:					
not later than one year;	19	48	0	2,224	**2,291**
later than one year and not later than five years;	77	0	0	0	**77**
later than five years.	72	0	0	0	**72**

The provision for pensions relating to other staff is in respect of the early retirement of staff before 6 March 1995. Each year the provision is recalculated using the most recent quarterly payment made to the NHS Pensions Agency, life expectancy tables and the applicable Treasury discount rate. This provision will gradually diminish over an estimated period of 12 years.

The legal claims provision of £48k relates to third party liability claims received by the Trust. These are administered by the NHS Resolution with the Trust's liability being limited to the value of the excess on each claim. Payment is expected to be made within one year.

Other provisions is made up of the following:

- a sum of £656k has been included for potential back pay to staff who were due incremental increases/banding reviews during the course of the financial year. This estimate is based upon payments made in 2019/20;

- a provision of £490k has been included for income related to 2019-20 partially completed spells where commissioners outside Surrey ICS system have not agreed to pay. Partially completed spell is calculated for patients who occupies a bed at the financial year end, an estimated per bed day rate multiplied by the number of days that bed has been occupied is used to calculate income at the end of financial year 2019-20;
- a provision of £240k has been included for dilapidations cost. These costs are attributed towards putting the property into its state that staff can be temporary relocated, i.e. for repairs or reinstating any cosmetic alterations;
- a provision of £200k has been included for financial impact due to human resources issues related to pension liability;
- a provision of £170k has been included for Alliance MRI;
- a provision of £120k has been made for a pension liability claim;
- a provision of £109k has been included to cover potential claims regarding increments;
- a provision of £97k has been maintained for employee liability costs relating to a suspended HMRC penalty for off payroll payments since the 2010/11 financial year;
- a provision of £70k has been included for premier telecommunications;
- a provision of £50k has been made for potential contract penalties/disputes;
- a provision of £22k has been made by Healthcare Partners Limited for historical employer pension contributions that may be required; and

£202,789k is included in the provisions of the NHS Litigation Authority at 31 March 2021 in respect of clinical negligence liabilities of the NHS Foundation Trust (£195,815k as at 31 March 2020).

28. Provisions for liabilities and charges - Trust	**Current 31 March 2021 £000**	**Non-current 31 March 2021 £000**	Current 31 March 2020 £000	Non-current 31 March 2020 £000
Pensions - early departure costs	**19**	**150**	18	164
Legal claims	**48**	**0**	33	0
Other	**2,152**	**50**	1,255	0
Total	**2,219**	**200**	1,306	164

	Pensions relating to other staff	**Legal claims**	**Redundancy**	**Other**	**Total**
£000	**£000**		**£000**	**£000**	**£000**
At 1 April 2020	182	33	0	1,255	**1,470**
Change in Discount Rates	3	0	0	0	**3**
Arising during the period	3	33	0	1,413	**1,449**
Utilised during the period - accruals	(5)	0	0	(40)	**(45)**
Utilised during the period - cash	(14)	(10)	0	0	**(24)**
Reversed unused	(1)	(8)	0	(426)	**(435)**
Unwinding of discount	1	0	0	0	**1**
At 31 March 2021	**169**	**48**	**0**	**2,202**	**2,419**

Expected timing of cash flows:

not later than one year;	19	48	0	2,152	**2,219**
later than one year and not later than five years;	77	0	0	0	**77**
later than five years.	73	0	0	50	**123**

The provision for pensions relating to other staff is in respect of the early retirement of staff before 6 March 1995. Each year the provision is recalculated using the most recent quarterly payment made to the NHS Pensions Agency, life expectancy tables and the applicable Treasury discount rate. This provision will gradually diminish over an estimated period of 12 years.

The legal claims provision of £38k relates to third party liability claims received by the Trust. These are administered by the NHS Litigation Authority with the Trust's liability being limited to the value of the excess on each claim. Payment is expected to be made within one year.

Other provisions is made up of the following:

- a sum of £656k has been included for potential back pay to staff who were due incremental increases/banding reviews during the course of the financial year. This estimate is based upon payments made in 2019/20;
- a provision of £490k has been included for income related to 2019-20 partially completed spells where commissioners outside Surrey ICS system have not agreed to pay. Partially completed spell is calculated for patients who occupies a bed at the financial year end, an estimated per bed day rate multiplied by the number of days that bed has been occupied is used to calculate income at the end of financial year 2019-20;
- a provision of £240k has been included for dilapidations cost. These costs are attributed towards putting the property into its state that staff can be temporary relocated, i.e. for repairs or reinstating any cosmetic alterations;
- a provision of £200k has been included for financial impact due to human resources issues related to pension liability;
- a provision of £170k has been included for Alliance MRI;
- a provision of £120k has been made for a pension liability claim;
- a provision of £109k has been included to cover potential claims regarding increments;
- a provision of £96k has been maintained for employee liability costs relating to a suspended HMRC penalty for off payroll payments since the 2010/11 financial year;
- a provision of £70k has been included for premier telecommunications;
- a provision of £50k has been made for potential contract penalties/disputes;

29. Contingencies - Group and Trust

29.1 Contingent liabilities	**2020/21**	2019/20
	£000	£000
Other	5	8
Total	5	8

Within note 28 a provision for third party liability claims has been calculated using an estimation technique which assesses the probability of such claims being successful. £8k (£8k 2019/20) has been included as a contingent liability, being the difference between the maximum estimated value of the claim, up to an insurance policy excess limit, and the value of the provision calculated.

29.2. Contingent assets

The Trust does not have any contingent assets.

30. Financial Instruments

30.1 Financial assets

	Financial assets at amortised cost
Assets as per SoFP at 31 March	**£000**
Receivables (excluding non-financial assets) - with DHSC group bodies	7,855
Receivables (excluding non-financial assets) - with other bodies	5,009
Cash and cash equivalents (at bank and in hand)	99,536
Total at 31 March 2021	**112,400**

30.2 Financial liabilities

	Financial liabilities at amortised cost
Liabilities as per SoFP at 31 March	**£000**
DHSC loans	4,729
Obligations under finance leases	0
Trade and other payables (excluding non-financial liabilities) - with DHSC group bodies	9,269
Trade and other payables (excluding non-financial liabilities) - with other bodies	29,899
Total at 31 March 2021	**43,897**

30.3 Maturity of financial liabilities

	31 March 2021
	£000
In one year or less	33,356
In more than one year but not more than five years	4,717
In more than five years	10
Total	**38,083**

30.4 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 NHS foundation trust has with CCGs and NHS England and the way those organisations are financed, the NHS foundation 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 NHS foundation trust has power to borrow and invest surplus funds.

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

Currency risk

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

Interest rate risk

The foundation trust's main exposure to interest rate fluctuations will arise from external borrowings. The Trust has borrowed Capital Loans from the DHSC at agreed fixed rates of interest which removes the risk of interest rate fluctuations. The Trust does not have any other borrowings.

Credit risk

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the Trade and other receivables note. As a foundation trust activity performance over and above contracted levels will be subject to agreement with the contracting organisation after the service has been provided. This factor is taken into account when assessing the impairment of receivables.

Liquidity risk

The foundation trust's operating costs are incurred under contracts with NHS England and Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . Capital expenditure is financed from internally generated funds or from loans obtained from the Independent Trusts Financing Facility. The trust is not, therefore, exposed to significant liquidity risks.

31. Related Party Transactions

Under the requirements of the international accounting standard IAS 24 senior staff are required to declare any material transactions by themselves or any related party or any entities owned by themselves or any related party and the Trust.

During the period the Royal Surrey NHS Foundation Trust has had a significant number of material transactions with other NHS Bodies which can be classed as related parties. These entities are listed below:

For the Financial year 2020/21	Income £000	Expenditure £000	Receivables £000	Payables £000
Ashford and St Peter's Hospitals NHS Foundation Trust	3,006	3,394	1,203	2,022
Frimley Health NHS Foundation Trust	7,672	2,791	3,591	1,625
Western Sussex Hospitals NHS Foundation Trust	215	2,320	0	1,343
Surrey And Sussex Healthcare NHS Trust	762	2,371	251	727
East Kent Hospitals University NHS Foundation Trust	0	1,101	17	0
Medway NHS Foundation Trust	6	1,040	6	11
Queen Victoria Hospital NHS Foundation Trust	0	323	0	60
St George's University Hospitals NHS Foundation Trust	73	217	26	92
Surrey and Borders Partnership NHS Foundation Trust	35	715	58	86
Sussex Community NHS Foundation Trust	8	314	2	17
Sussex Partnership NHS Foundation Trust	0	1,166	0	0
Brighton and Sussex University Hospitals NHS Trust	2	2,762	14	561
Dartford and Gravesham NHS Trust	0	360	0	0
East Sussex Healthcare NHS Trust	0	1,108	0	266
Epsom and St Helier University Hospitals NHS Trust	37	127	13	125
Kent and Medway NHS and Social Care Partnership Trust	0	444	0	40
Maidstone And Tunbridge Wells NHS Trust	31	898	0	(0)
NHS Berkshire West CCG	129	0	0	0
NHS East Berkshire CCG	1,005	0	0	0
NHS East Sussex CCG	1,099	332	0	197
NHS Hounslow CCG	192	0	0	0
NHS Kent and Medway CCG	112	26	0	31
NHS North East Hampshire and Farnham CCG	8,522	0	132	0
NHS North Hampshire CCG	1,416	0	73	0
NHS South East London CCG	105	0	0	0
NHS South Eastern Hampshire CCG	16,641	0	0	0
NHS South West London CCG	1,909	0	0	0
NHS Surrey Heartlands CCG	198,476	963	473	931
NHS Surrey Heath CCG	2,977	0	0	0
NHS West Hampshire CCG	112	0	0	0
NHS West Sussex CCG	9,561	27	325	27
NHS England	148,788	61	1,122	31
Public Health England (PHE)	221	1	0	1
Health Education England	12,059	1	0	0
Department of Health and Social Care	16,394	0	130	0

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. The majority of these transactions have been with HM Revenue & Customs (VAT recoverable), National Insurance Fund (Employers NI contributions), NHS Pension Scheme (Employers contributions). There are no material transactions with the Scottish and Welsh Governments (Healthcare services provided to Local Health Boards).

	Income	Expenditure	Receivables	Payables
	£000	£000	£000	£000
National Insurance Fund - Other Taxes & NI Contributions	0	23,128	1,537	5,922
NHS Pension Scheme	0	33,124	881	3,356

The Trust's Ultimate Controlling party is the Department of Health and Social Care.

The Trust has received donations and revenue receipts from Trust Charity and other charitable bodies.

During the year none of the Trust Board members or members of the key management staff or parties related to them has undertaken any material transactions with trust.

32. Third Party Assets

The Trust holds a nominal value of third party assets, in the main related to patient property when patients are admitted for treatment.

33. Losses and Special Payments - Group and Trust

These payments are charged to the Statement of Comprehensive Income and are recorded in the losses and special payments register on an accruals basis but exclude any provisions for future losses. Set out below are the losses and special payments incurred by the Group for this and the previous financial year.

Group	2020/21		2019/20	
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	**11**	**24**	31	75
Stores losses and damage to property	**2**	**510**	2	700
Total losses	**13**	**534**	33	775
Special payments				
Compensation under court order or legally binding arbitration award	**3**	**82**	5	94
Ex gratia payments	**25**	**359**	29	57
Total special payments	**28**	**441**	34	151
Total losses and special payments	**41**	**975**	67	926

Clinical negligence cases are managed by the National Health Service Litigation Authority and transactions relating to such cases are held in their accounts. The Trust pays a premium for their services and excesses on some cases. Therefore, these cases have not been accounted for in the Trust's accounts.

Trust	2020/21		2019/20	
	Number	**£000**	Number	£000
Losses				
Bad debts and claims abandoned	**11**	**24**	31	75
Stores losses and damage to property	**1**	**478**	1	630
Total losses	**12**	**502**	32	705
Special payments				
Compensation under court order or legally binding arbitration award	**3**	**82**	4	93
Ex gratia payments	**21**	**203**	29	57
Total special payments	**24**	**285**	33	150
Total losses and special payments	**36**	**787**	65	855

34. Events after the reporting period

There are no events after the reporting period having a material effect on the accounts for either the Group or the Trust.

"The spirit of 2020/21 was captured perfectly in one of our lead Covid consultant's often repeated phrase: 'We've got this. Together, we've got this.'"

Louise Stead
Chief Executive Officer
Royal Surrey NHS Foundation Trust