NHS
Sussex Community
NHS Foundation Trust

Sussex Community NHS Foundation Trust Annual Report and Accounts 2020-21

Excellent care at the heart of the community

Sussex Community NHS Foundation Trust
Annual Report and Accounts 2020-21

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

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Performance Report

Overview of performance

Welcome to our annual report

It's fair to say that 2020-21 was the most extraordinary of years – for the NHS as a whole, for all of us at Sussex Community NHS Foundation Trust (SCFT) and for the communities we serve.

Our teams showed remarkable resilience, compassion and dedication to each other and the people we cared for across all our different services during an incredibly challenging 12 months.

Writing this overview and reflecting on the year that was, there are so many things to be proud of, and grateful for.

For SCFT, a lasting legacy of this pandemic will be the strength we have drawn from each other and the new bonds and partnerships that have been forged as a result.

We have always been incredibly proud of our 5,500+ strong workforce and 500+ dedicated volunteers – but never more so than this year.

That pride in our work and the amazing people that we have at SCFT has helped us address the challenges bought about by the pandemic, but in the year which this report covers we have also achieved so much more.

The COVID-19 crisis provides many fine examples of colleagues and volunteers working together not just across health and social care but also education, the third sector, businesses and the community at large, stepping up every day to deliver incredible care during the public health emergency of a generation.

In the period covered by this report we:

- Provided medical, nursing and therapeutic care to over 9,000 people every day.
- Served a community of 1,300,000 people.
- Opened a new Urgent Treatment Centre at Lewes Victoria Hospital.
- Established 5 large scale COVID-19 vaccination centres, playing a pivotal role in the Sussex COVID-19 Vaccination Programme.
- Stood up 'roving' vaccination teams to deliver immunisations to thousands of care home staff and residents and people who could not leave their homes.
- Recruited an additional 1,500 colleagues to support us to deliver COVID vaccinations, including many furloughed staff from the airline and hospitality industry.
- Received 2,159 compliments.

Despite the challenges our services continued to innovate and win awards. Our West Sussex health visiting service became the first in the South East (outside London) to receive a Unicef UK Gold award, recognising excellent and sustained practice in the support of infant feeding and parent-infant relationships across West Sussex.

Our Immunisation team set up drive-through vaccination clinics for the HPV vaccine, vaccinating over 3,000 young people across Sussex who had missed out on their scheduled vaccinations because of school closures.

We embarked on our biggest #ProtectingTogether flu vaccination project, offering the free jab to all our staff with a record breaking 86% take up.

We supported National Numeracy's Checktember campaign, with 416 staff signing up to improve their numeracy skills.

Our SCFT charity awarded £50,000 to projects across the Trust, which has refurbished rest rooms, provided specialist sessions to help children and young people with profound and multiple learning difficulties, and offered specialist activities for patients of the Trust's Homeless team.

As well as recruiting 1,500 people to support our COVID-19 vaccination efforts, we also welcomed more than 1,000 new colleagues to the Trust as part of our normal recruitment process.

At the end of the year, the results from the last national staff survey, which took place in the autumn, were announced. The number of staff working for the Trust who rated the organisation as a great place to work and receive care has risen for the fifth year in a row – something we are so proud of given the challenges everyone faced professionally and personally.

81% of staff would recommend the care the Trust provides to their family and friends and 73% of staff would recommend the Trust as a place to work.

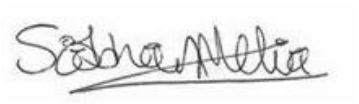
While our priority is the delivery of excellent care for all the people we serve, managing the money well means we can provide outstanding care and invest in what our patients need. The Trust reported a surplus for the year ended 31 March 2021 and we remain in a strong, stable financial position.

So, in a year that has tested us all it's so important to pause and celebrate the achievements of all teams across SCFT.

Thank you for all you have, and continue to do, for our patients and each other. Thank you for your fortitude, for your resilience, for your kindness, compassion and dedication.

We are a team of 5,500+ people united by a vision and determination to deliver excellent care to our communities across Sussex.

With warm wishes



Peter Horn
Chair

Siobhan Melia
Chief Executive

Overview of the Trust

Sussex Community NHS Foundation Trust (SCFT) was authorised as an NHS Foundation Trust on 1 April 2016. It is a large provider of NHS care in peoples' homes and in the community in South East England, covering a population of around 1.3 million.

Before becoming a Foundation Trust the organisation was known as Sussex Community NHS Trust, which was established in October 2010 through the integration of West Sussex Health and South Downs Health NHS Trust.

It provides a wide range of medical, nursing and therapeutic care to over 9,000 people a day. The Trust's expert teams help people to plan, manage and adapt to changes in their health to help keep them in their own homes for longer, prevent avoidable admissions to hospital and minimise any necessary stays in hospitals. In 2020-21 SCFT's income was £285 million, with costs of £284.5 million.

The Trust was inspected by the Care Quality Commission (CQC) in autumn 2017. The quality of the care the Trust provided was rated as **Good** overall, and **Outstanding** in some areas, in its report published in January 2018.

What the Trust does

From health visitors, supporting families with new-born babies, to community practitioners (nurses and therapists) caring for the frail elderly and people nearing the end of their lives, SCFT looks after some of the most vulnerable people in the community.

The Trust's aim across all of its services is to give people the certainty that when they need it, wherever they are, the Trust will meet their needs with services of a high quality that are safe, effective and compassionate, and provided with respect.

The Trust provides:

- Community rehabilitation and support for people with complex health needs and long-term conditions or people needing end of life care.
- Community rapid response to assess and care for patients with urgent care needs, helping to keep them out of hospital.
- Intermediate care, offering short-term recovery and rehabilitation, keeping patients out of hospital where it can, or help them to leave hospital when that is in the patient's best interest.
- Integrated discharge, working with patients, carers and hospital staff, to help a patient return home from a hospital stay as soon as possible.
- Health promotion, supporting people to improve their health and wellbeing, for example through its prevention assessment teams and Living Well programme.
- Coordinated and flexible services for families and children through its health visitors, for example its breastfeeding support teams and through its care for children with complex health needs.
- Health and care across a number of community settings including people's own homes, hospitals, clinics, health centres, GP surgeries, schools and community venues.

How the Trust does it

SCFT cares for most people in their own homes or as close to home as possible. It puts the people it cares for at the centre of everything it does, wraps care around them and works closely with GPs, hospital trusts, local authority social care, voluntary organisations, other providers and commissioners to ensure people get the support they need.

In total, SCFT employs over 5,500 people (including both full and part-time staff). It employs health care assistants, nurses, doctors, dentists, therapists, dieticians, health visitors, podiatrists, clinical psychologists, radiographers, pharmacists and many more. They are supported by experts in areas such as infection control, medicines management, information technology, human resources, service experience and finance.

Many of the staff work in multidisciplinary and multi-agency teams combining a range of specialisms and backgrounds, who work together with the Trust's health and social care partners to offer integrated, seamless care to patients.

Vision, strategic goals, values and corporate objectives

Vision

The Trust's vision is of a health and care system that provides excellent care at the heart of the community.

Strategic goals

The Trust Board has set five strategic goals to achieve its vision:

- **Patient experience** – use patient feedback to improve what it does.
- **Population health** – improve health and care outcomes for its communities.
- **Quality improvement** – foster a continuous improvement culture.
- **Thriving staff** – provide rewarding working lives and careers.
- **Value and sustainability** – improve efficiency and reduce waste.

Values

To guide the Trust's work, as it seeks to achieve its goals, it will remain true to its core values:

- **Compassionate care** – caring for people in ways the Trust would want for its loved ones.
- **Working together** – as a team forging strong links with the people it cares for, the wider public and its health and care partners, so the Trust can rise to the challenges it faces together.
- **Achieving ambitions** – for users, for staff, for teams and for the organisation.
- **Delivering excellence** – because the people the Trust cares for and its partners deserve nothing less.

Corporate objectives

Given the impact of the pandemic during the year, the Board reviewed the Trust's corporate objectives after the first wave of COVID-19 and agreed, in November 2020, a set of revised corporate objectives for the remainder of 2020-21:

- **Supporting and increasing staff wellbeing** through current challenges.
- Ensure **services can meet the needs of all segments of the population** by developing systematic approaches to the collection and understanding of equalities data.
- **Delivering better outcomes for patients seen in clinic and community settings** by improving the management of waiting lists.
- **Evaluate the experience of patients and staff in the implementation of digital tools**.
- **Free up staff time to care**.

Engagement with the public, patients, staff, members, local groups and other stakeholders

The Trust continues to:

- Listen to and involve patients and carers as equal partners in shared decision-making to help the Trust shape the development of high quality services.
- Work in partnership with its stakeholders, staff, partner organisations and members to improve services.
- Work with voluntary organisations, services and the community to improve access to services for people with a disability, sensory loss or impairment.
- Provide face-to-face, telephone and video calling translation services for people whose first language is not English and interpreting services for people who have a disability, sensory loss or impairment.
- Engage with staff to prioritise wellbeing. This included an all staff wellbeing webinar hosted by the Chief Executive, to enable staff to share their experiences of how the pandemic has affected their wellbeing.
- Engage with senior leaders through fortnightly online meetings including updates from the Executive team, opportunity for questions and feedback, and sharing examples of positive stories, innovations and developments.
- Engage volunteers in key services to enhance patient and staff experience. This included volunteer health walkers, breastfeeding volunteers and community hospitals volunteers who support patients and administration teams.
- Engage with its members through its Members' Newsletter, encourage feedback and invite members and local people to consider standing as a governor and to vote in governor elections.
- Encourage all people to observe Board meetings held in public by webstream where in person attendance is not possible, and to provide mechanisms to ask questions to the Board in real time.

Council of Governors

The Council of Governors plays an important role. They are involved in developing Trust plans, they represent the interests and views of patients, staff, members and the wider public, and they hold the non-executive directors to account for the performance of the Board.

Launch of new Membership and Engagement Strategy

The Board ratified the Trust's new three-year strategy in August 2020. The Trust is ambitious and wants to create a more vibrant and diverse membership community, and one which has a real voice in shaping the future of the Trust and the services it provides.

The strategy sets out the Trust's ambition to improve how it attracts members, how it keeps them informed and engaged, and to increase opportunities for members to become more involved in SCFT.

The three objectives are:

1. To improve the way the Trust engages with its members.

2. To continue the work towards a membership that is representative of SCFT's diverse communities.

3. To maintain a credible level of Trust membership, in particular to promote the involvement of all sections of the community.

The full strategy is available from the Trust's website: www.sussexcommunity.nhs.uk/member.

Commissioners

The vast majority of General Practice in England is part of a Clinical Commissioning Group (CCG). CCGs commission (plan and buy) the majority of health services, including emergency care, elective hospital care, maternity services, and community and mental health services. There are three principle CCGs that commission care from SCFT: NHS Brighton and Hove CCG, NHS East Sussex CCG and NHS West Sussex CCG.

In addition, NHS England and local authorities also commission services from the Trust and it works in partnership with a number of providers. SCFT also provides services to people living outside of these areas, including parts of Hampshire, Surrey and Kent.

Key partners include:

- NHS England and NHS Improvement (NHSE/I).
- Local authorities: West Sussex County Council; Brighton & Hove City Council; and East Sussex County Council.
- GPs across its area.
- Local NHS providers across the area.
- Higher education organisations.
- Other care organisations, including local hospices, residential and nursing homes.
- Sussex Musculoskeletal Partnership Central and HERE (Care Unbound).

- Third sector organisations including Age UK East Sussex, Diabetes UK and Macmillan.

- Groups that can speak on behalf of the people who use our services, including local Healthwatch organisations, patient groups and scrutiny committees.

The Trust thanks them all for their continued and committed support in helping it deliver quality services to the communities it jointly serves.

Engaging with MPs

The Trust keeps in regular contact with local MPs. Examples include briefings on the COVID-19 mass vaccination programme, service changes and improvements.

Scrutiny Committees

The Trust has built relationships with the three Health Overview and Scrutiny Committees in Sussex. These bodies consist of local councillors and hold NHS organisations to account, on behalf of their local public, for the quality of NHS services. The Trust engages with them with regard to service change.

Healthwatch

Healthwatch England is the independent consumer champion for health and social care in England – to ensure the voice of the consumer is heard by the people that commission, deliver and regulate health and care services. Healthwatch England supports the range of local Healthwatch bodies across the country. The Trust works closely with these local bodies, welcoming their input as 'critical friends'. As part of the ongoing relationship the Trust welcomes Healthwatch to its events, such as its Annual Members' Meeting, and engages with them about service changes.

Healthcare in Sussex

When the NHS Long Term Plan was published in January 2019, it signalled a wave of changes across the NHS.

These included the development of integrated care systems (ICS), where organisations involved in health and social care delivery work more closely together to improve patients' health, wellbeing and experience.

The Sussex ICS was created in 2020; it has three emerging integrated care partnerships (ICPs), with 40 primary care networks.

ICPs bring together all provider health organisations in a given area to work as one.

A primary care network consists of groups of general practices working together, and in partnership with community, mental health, social care, pharmacy, hospital and voluntary services in their local area, to offer more personalised, coordinated health and social care to the people living in their area.

The focus is on providing care in a way that benefits patients – not what is easiest for organisations. SCFT is a key partner in the emerging integrated care system. In 2020/21 the seven CCGs in Sussex were given approval to merge and form three clinical commissioning groups, working closely together as Sussex NHS Commissioners.

SCFT is a leader in community care and the Trust is at the forefront of the long term plan's commitment to make sure more patients can be treated at home or in a clinic/community setting near to them, rather than have to be a patient in an acute hospital.

In February 2021 the government published its 'Integration and innovation: working together to improve health and social care for all' White Paper setting out its legislative proposals to build on the NHS Long Term Plan and the collaborations seen through COVID-19.

These are exciting changes. The White Paper and the Long Term plan make collaboration real and represents a move away from divisive competition within the NHS – this is better for the people SCFT serves.

Sussex Community NHS Charity

Having a charity helps the Trust to further improve the lives of patients in the community and improve staff experience. Together with the kind support of the community, the charity raise funds to provide the Trust with grants to cover the costs of projects which go above and beyond what the NHS core funding provides for. In 2020-21 through various fundraising activities including donations, grants and legacies the charity received £245,657.

In 2020 the charity was rebranded following extensive engagement with staff, volunteers, governors and the Trust Board.

Further information about the charity is available from the Trust's website: www.sussexcommunity.nhs.uk/charity.

Sussex Primary Care Limited

Sussex Primary Care Limited (SPC) is a wholly-owned subsidiary of Sussex Community NHS Foundation Trust. It was incorporated in November 2018 to provide an alternative to the partnership model of general practice and combines the scale and stability of the Trust with the local focus and 'fleetness of foot' of general practice.

SPC took on its first practice in June 2019 and will, from 1 April 2021, comprise six practices across Sussex helping to provide sustainable primary care and supporting the Trust's vision of excellent care at the heart of the community.

Further information about SPC is available online: www.sussexprimarycare.co.uk

Key issues, opportunities and risks in delivering its goals and objectives

Risk assessment

The monitoring of issues and risks is a fundamental part of the Trust's governance structure. To do this effectively, the Trust holds a single risk register containing directorate specific risks, operational risks and strategic risks as described in the Board Assurance Framework (BAF). The risk register is the main record for all risks within the Trust. The risk register is reviewed by the Trust-wide Governance Group (TWGG) and the Risk Oversight Group to gain assurance that controls and mitigating plans are suitable, sufficient and are being appropriately monitored, with oversight being provided by the Executive Committee.

Significant risks are reviewed, on a monthly basis, by the Executive Leadership team and where they are deemed to be a high risk to service delivery or patient care (scored 15+), the risk will be escalated to the Board. Any risk which is likely to impact on the delivery of the Trust's strategic goals and objectives is captured in the BAF.

The BAF is a key assurance tool that ensures the Board is properly informed about the overall risks to achieving the Trust's strategic goals and objectives. It is reviewed quarterly by the Trust Board.

The key risks to delivering the Trust's strategic goals are:

- **Workforce resilience** – The Trust's workforce indicators have significantly improved in the last 18 months with an increase in staff in post, and a reduction in turnover and vacancy rates. However, there remains challenges in some staff groups and services. There is a risk that the Trust will not have the right number of staff with the right skills to deliver its services once this current stage of the COVID-19 pandemic is over.
- **Digital** – If the Trust is unable to provide the information and data to support operational services there could be an adverse impact on the organisation's ability to operate efficiently and effectively within the health economy.
- **Finances** – Although funding for the first six months of 2021-22 is certain it is unclear how funding will be decided for the following six months. This limits the Trust's ability to plan for the medium to long-term.
- **Estates** – Should the estates infrastructure, buildings and environment not be fit for purpose, then there may be an adverse impact on the efficiency and effectiveness of services, resulting in poor quality care and patient experience. Premises related issues will also impact on staff wellbeing and retention. COVID-19 social distancing has increased accommodation pressure across the Trust and restricted the ability of services to fully restore clinical services.
- **System fluidity** – Health system developments, including the Sussex Health and Care Partnership (SHACP) and the ongoing development of the ICS, may affect delivery of the Trust's strategic goals. Although the Trust is actively engaged as a member of SHACP, there are elements outside of the Trust's direct control.
- **Quality and patient experience** – If the Trust is unable to demonstrate delivery of continuous and sustained improvement in the quality of care and compliance with evidence-based clinical standards, there may be a resulting adverse impact on patient safety and patient experience. Poor quality care or patient experience outcomes may affect the Trust's goal of being recognised as an **Outstanding** organisation.
- **Impact of COVID-19 pandemic** – The COVID-19 pandemic presents a risk to the ability of the Trust to maintain the safe and effective delivery of clinical services and environments for both COVID-19 and COVID-19 free patients.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Performance summary

Key performance indicators (KPIs) are made up of operational, quality and financial measures. These are managed by the Performance team who ensure oversight of all measures and data quality. The Trust Board monitors delivery through its review of high level KPIs presented in the Integrated Performance Report (IPR). Below Board level, there are a number of committees and service level performance meetings that review in detail KPIs and other information. This forms part of the overall governance structure of the Trust.

KPIs are reported at each Board meeting and to the public through the IPR. The Board constantly challenges and adapts the performance measures it scrutinises to provide the best possible assurance that the Trust is well-managed, that patients are well cared for and that early warning signs of issues are identified and appropriate action is taken. The IPR highlights performance against a range of measures. These include those set out in NHS England and NHS Improvement's (NHSE and NHSI) Oversight Framework but also a number of other indicators, agreed by the Board, which reports performance against the organisational objectives and the Care Quality Commission (CQC) domains of safe, caring, effective, responsive and well-led.

Equality of Service Delivery

In November 2020 the Trust launched a new Equality, Diversity and Inclusion Executive Steering Group chaired by the Chief Executive to lead improvements relating to its staff and patients. The Trust has upgraded its SystmOne patient administration system to capture demographic and accessible information needs about patients as well as embedding the principles of the Equality Delivery System Goals 1 and 2 which relate to Better Health Outcomes and Improved Patient Access and Experience. The Trust is developing a plan to further improve equity of access as part of its ambition to reducing health inequalities and is committed to meeting patients' emotional, spiritual, social and cultural needs. Equality and Human Rights Act impact assessments are embedded into Trust decision-making processes.

Quality Goals

SCFT's quality priorities for 2020-21 are:

- **Violence and Aggression towards NHS staff** – To expand its knowledge and understanding of the incidents of physical and verbal abuse directed at staff whilst working to keep staff safe.
- **Translating research evidence into improved care** – Specifically the development, implementation and evaluation of a frailty pathway to improve outcomes of care for older people through continued collaborative working with other providers.
- **National Institute for Health and Care Excellence (NICE) Guidance** – Revise how the outputs on NICE Guidance are reported in real time.
- **Implement a system to identify patients with a learning disability who access Trust services**.
- **To record the protected characteristics of people who make a complaint about Trust services**.

Quality of Care Performance

On an annual basis, as a foundation trust, the Trust is required by legislation to publish an audited Quality Report on its achievement of both key priorities for quality improvement and on its performance in relation to the maintenance of essential standards for quality and safety. However, due to COVID-19 and in line with national guidance the Trust will be publishing an unaudited Quality Account by the end of June 2021. There is no difference in the content of the Quality Report and Quality Account. It will be available from the Trust's website: www.sussexcommunity.nhs.uk/reports.

Financial Performance

In recent years the Trust has consistently demonstrated strong financial management and resilience, reporting a recurring surplus in each year.

2020-21 has been a very difficult and challenging year financially for the whole of the health service. However, the Trust reported an adjusted surplus of £121k against a planned deficit of £4,022k for the year. This compares with an adjusted surplus of £2,333k in 2019-20.

Accounts heading	20-21 £ 000s	19-20 £ 000s	Comment
Surplus/(Deficit) for the year	(28)	217	The reported position in the annual statement of accounts
Adjustments	143	2,116	The impact of the impairments of assets and other accounting adjustments excluded from the control total
Surplus on a control total basis	131	2,333	The 2019-20 figure is the reported surplus following relevant adjustments
Remove impact from (gains)/losses on disposal of assest	(10)	0	Any benefit from profits on disposal are deducted
Adjusted surplus	121	2,333	The reported surplus following relevant adjustments

The table above sets out the key components of the Trust's £121k adjusted surplus. It should be noted that, when looking at the year-end performance and how it impacts on the system control total, a technical prior year adjustment was made relating to the consolidation of a subsidiary. That reduces the Trust's performance to an £869k deficit, against the planned deficit of £4,022k.

In 2020-21 the basis on which NHS providers were funded had radically changed due to the pandemic. In previous years the Trust was set specific financial targets which were set assuming delivery of financial efficiencies, and received incentive payments for delivering those targets. The changes to the NHS financial regime in 2020-21 make direct comparison to previous years difficult. The key changes for 2020-21 included the following:

- The Trust was paid on a block contract arrangement, based on what it spent in 2019-20 plus inflation.
- Payments were made a month in advance in order to protect the organisation's cash flow and to enable it to promptly pay its non-NHS suppliers.
- NHSE/I funded trusts for the additional costs incurred as a result of the pandemic, including the mass vaccination programme.

During 2020-21 the Trust had continued to invest to improve its infrastructure and services. In particular, the Trust had invested extensively in digital technology (end user devices, server capacity and digital resilience). This rapid and extensive investment helped secure the continuity of services during the national lockdowns. The Trust received national recognition from the Department of Health and Social Care as a 'digital aspirant', securing an additional £3 million of capital funding to invest in digital improvements to services.

The Trust's expectation is that the finance system of block payments applying in 2020-21 will continue well into 2021-22. The Trust will continue to be reimbursed centrally for the costs incurred as a result of the pandemic and the mass vaccination programme. The stated intention of NHSE/I is to protect the financial resilience of NHS providers during the pandemic response.

Although there is some uncertainty around the longer term position, it is reasonable to assume, as the pandemic situation eases, that there will be a phased return to the previous system which included financial targets and efficiencies. The Trust's strong track record of robust financial control and recurrent surpluses means that it is well placed to continue to deliver long-term financial sustainability within the financial regime that will emerge after the pandemic.

The NHS Long Term Plan acknowledges the crucial role that community services have to play in addressing the system-wide challenges of managing demand and patient flow. The continued drive, both nationally and locally, is towards healthcare services increasingly being provided in the community rather than within hospital settings. This gives the Trust ever greater opportunities to grow and thrive as a financially sustainable provider. There will be increased partnership working across Sussex to address the healthcare challenges of the population. The Trust is playing an active part in the development of the Sussex Integrated Care System (ICS) and the move towards system-wide financial planning.

Workforce
Around 70 per cent of the Trust's expenditure relates to its workforce. Recruiting and retaining sufficient staff to fill all vacancies is one of the Trust's key operational risks and challenges, in the context of a shortage of clinical staff in the labour market both nationally and locally. The challenge has been exacerbated in recent months by the increased demands on services caused by the pandemic and a significant increase in staff absence through sickness and self-isolation. Retention of staff at the Trust has improved in the year, however, recruitment of new staff will remain a key challenge.

Despite these challenges this has been a successful year for the Trust. Since December 2020 the Trust has recruited 1,500 new temporary posts to support the mass vaccination programme in Sussex. This increased the size of the Trust's workforce by around a quarter.

Understanding future workforce needs, getting the right balance between a substantive (permanent) and flexible workforce, and investing in recruitment and retention, will continue to be key areas of focus for the Trust in 2021-22.

Care Without Carbon – delivering sustainable healthcare

What is Care Without Carbon?

Care Without Carbon (CWC) is shorthand for a sustainable NHS. It is a simple idea that reflects not only the Trust's strategic goal 'value and sustainability', but also its wider philosophy and vision to ensure the high quality of care being delivered today is available in the future.

The Trust's CWC programme delivers against seven elements (see page 20), aiming to balance three key aims in all that SCFT does:

1. Minimising the Trust's impact and having a positive impact on the environment and natural resources.
2. Supporting staff wellbeing to enable a happy, healthy and productive workforce.
3. Working towards long-term financial sustainability.

Further information is available online: www.sussexcommunity.nhs.uk/sustainability

How does CWC help to deliver excellent care in the heart of the community?

To deliver sustainable healthcare SCFT is working firstly to minimise the need for healthcare activity; to reduce the environmental or health impact of any remaining activity whilst at the same time improving health outcomes.

This is reflected in the Trust's sustainable healthcare principles, which are set out in the Trust's Three Year Strategy:

1. **Prevention**: minimising the need for healthcare through health promotion, disease prevention and ensuring that the delivery of care does not negatively impact on the health of staff, patients or the wider community.
2. **Self-care**: taking every opportunity to prevent health problems escalating by educating and empowering staff and patients to better manage their own health, and supporting this by improving coordination of care within the Trust and through partners.
3. **Joined-up care pathways**: streamlining the way the Trust delivers services to minimise duplication, waste and unnecessary travel.
4. **Efficient use of resources**: preferential use of treatments, technologies and processes with lower environmental impact.

COVID-19 and sustainability

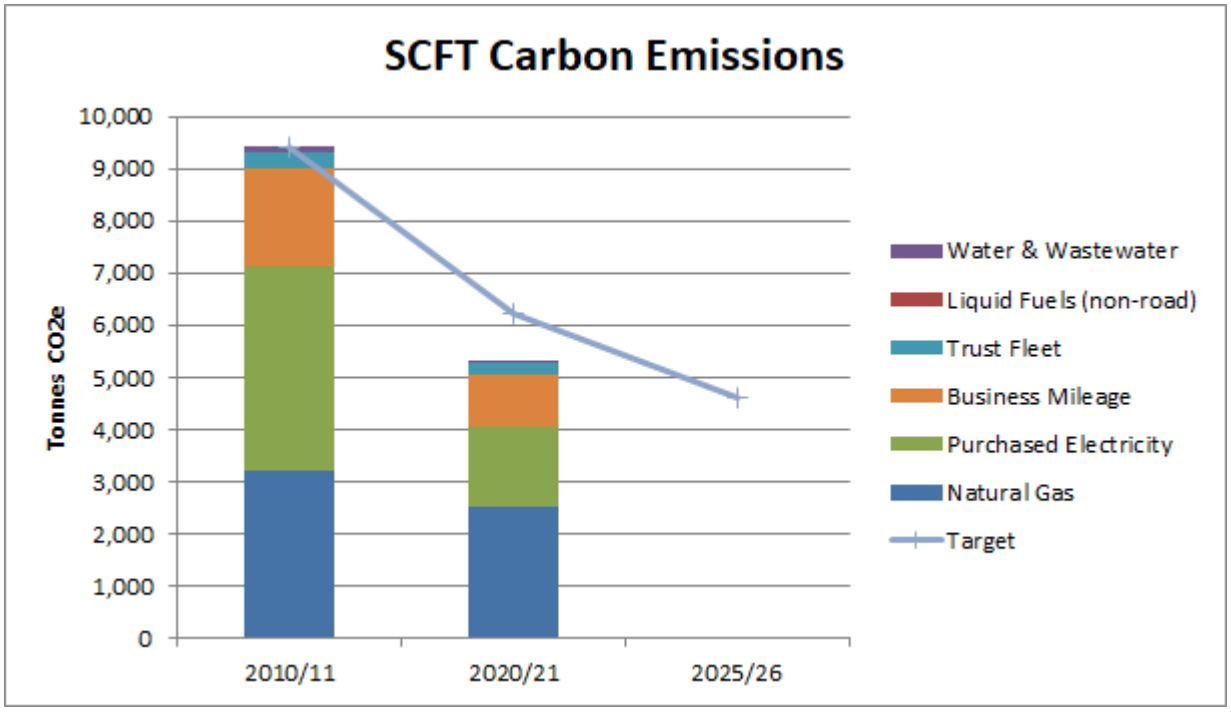
From a sustainability perspective the pandemic significantly increased the purchase, use and disposal of healthcare items, including the obvious increase in personal protective equipment (PPE). During the year the spotlight has been firmly placed on staff wellbeing and this was reflected in CWC's staff engagement programme, Dare to Care. Business mileage was significantly reduced this year, due to the introduction and expedition of digital technologies for clinical consultations and video conferencing for meetings.

How did the Trust perform on sustainability in 2020-21?

The Trust measures the overall impact of CWC against three key aims, translated into three performance metrics:

1. Absolute (overall) CO_2e reduction;
2. Cost improvement (related to CO_2e reduction across Trust services);
3. Improvement in workplace health and wellbeing.

Between 2010-11 and 2020-21 the Trust has reduced its absolute carbon footprint by 4,077 tonnes CO_2e (-43%), significantly exceeding the 2020 target of a 34% reduction in carbon footprint against a 2010-11 baseline.



The CWC team also measures progress against a series of specific environmental key performance metrics (KPIs) as summarised on page 22. There are three areas where progress falls below the 2020-21 performance margin – Trust vehicle emissions, general waste recycled and clinical and offensive waster. These are key areas to continue to tackle in 2021-22 and beyond – the Trust's approach to this is detailed on page 24.

KPI	Metric	2010/11	2020/21 Target (-34%)	2020/21
Carbon Footprint	tonnes CO_2e	8,529	5,629	5,336
Energy Efficiency	$kgCO_2e/m^2$	71.0	46.9	40.4
Water Efficiency	m^3/m^2	1.40	0.90	0.70
Trust Vehicle Emissions	gCO_2e/km	151.9	100.2	119.4
Grey Fleet Mileage	miles claimed	5,053,738	3,335,467	2,944,703
General Waste Recycled	% recycled	50%	75%	33%
Clinical & Offensive Waste	% offensive	0%	75%	38%

NOTE: Due to the date of publication of the annual report, some of the data reported here is estimated. The CWC team will publish a summary sustainability report, including a complete data set for 2020-21, in the autumn of 2021. The team obtains annual external carbon footprint assurance each year to validate the accuracy of all the data. Annual assurance certificates for the last three years can be viewed on the Trust website: www.sussexcommunity.nhs.uk/sustainability. Contact details are provided there if further information is required.

Programme governance – how CWC is delivered

The Sustainability and Environment team is responsible for designing, implementing and reporting the CWC programme across the Trust. The team reports progress directly to the Board twice a year through the Trust's Executive Lead for Sustainability, Mike Jennings, Deputy Chief Executive/Chief Financial Officer.

Key highlights in 2020-21

CWC has developed both in terms of its approach and its reach. 2020-21 marks the final year of the current CWC strategy. During the year the Trust has made progress in the following areas:

Leadership

Leading the way for sustainable healthcare policy and practice

***2020 target**: to be recognised as a leading NHS service provider for sustainable development policy and practice*

- The CWC team won three prestigious awards; the NHS Sustainability Day award for reuse, an International Green Apple Award and a gold award for greenhouse gas reduction from Global Green and Healthy Hospitals. In addition, the Trust was shortlisted for the 2020 HSJ award in environmental sustainability.
- The CWC team is working with other NHS organisations across the Sussex Integrated Care System (ICS) and beyond, using CWC as a framework to deliver programmes for sustainable healthcare by:
    - facilitating the planting of 203 trees in hospitals across Surrey and Sussex;

- delivering a third year of Dare to Care at Surrey and Sussex Hospitals NHS Trust and Sussex Partnership NHS Foundation Trust, with a focus on staff wellbeing;
- working on collaborative tenders for sustainability.

Buildings

Providing the workspace for low carbon care delivery with wellbeing in mind

2020 target: *34% reduction in CO2e from Trust buildings*

- Installing and upgrading the Trust's building management system and automatic meter reading to allow improved management of energy across Trust sites.
- SCFT has continued to purchase 100% renewable backed power, with a commitment to do so again in 2021-22. The Trust has reduced its carbon footprint by 4.077tCO_2e – this is a 43% reduction against the 2010-11 baseline and has exceeded the 2020 target.

Journeys

Maximising the health benefits of our travel and transport activity whilst minimising the environmental impacts

2020 target: *34% reduction in all measurable travel CO_2e*

- Significant reduction in the grey fleet mileage of 1,116,306 miles. Much of this is due to changing working practices and the greater use of digital technologies introduced during the pandemic.
- Upgrading the Trust fleet to include 165 alternate fuel vehicles (fully electric, plug-in hybrid or self-charging hybrid models) including five electric vans and 37 vehicles as part of its low emission pool car scheme.
- Increasing the number of vehicle charging points to eight with more planned in 2021-22.

Circular Economy

Creating and supporting an ethical and resource efficient supply chain

2020 Targets*: 75% recycling rate and 75% non-infectious healthcare waste*

- Rollout of food waste collections at the Trust's three largest sites. Eight tonnes of food waste was collected and sent for anaerobic digestion, generating biogas (used for electricity) and fertiliser.
- Continued work on sustainable procurement, including implementing sustainable procurement criteria into tenders worth £250,000 and working with Healthcare Without Harm Europe to develop procurement criteria for medical gloves to be shared with healthcare organisations across Europe.
- Saved £76,000 from reuse and redistribution projects and donations of unwanted furniture to local schools.
- Ongoing review of Trust PPE use during the pandemic, with research into options for reusable alternatives, collaborating with experts globally. This has laid the groundwork for projects on reusable gowns, facemasks and promoting appropriate glove use in 2021-22.

Culture

Informing, empowering and motivating people to achieve sustainable healthcare

2020 target*: 100% staff engagement across the Trust on sustainability and wellbeing with measurable benefits*

- Continuing to deliver the Dare to Care engagement programme with a particular focus on wellbeing during the pandemic.
- 1,821 staff participated with over 7,500 dares taken by staff to reduce their impact on the environment and to boost wellbeing.
- The CWC Envoy programme continues to grow with 30 staff members now representing sustainability within their teams.
- Integrating sustainability into the Trust's new online induction training through a new animation.

Wellbeing

Creating a better working life for our people

2020 target: *maintaining workforce wellbeing above the national average of 5/10*

- Support staff wellbeing through the annual Step Up Challenge. 130 people collectively walked 17,148 miles.
- Ran several engagement campaigns to support staff wellbeing including:
    - Swap In September, supporting active travel choices for staff to tackle local air pollution.
    - Developed a Wellbeing Advent Calendar with a new blog every day in December on the CWC website.
    - Partnered with Living Streets to promote walking during the working day and trained a walking champion at Crawley Hospital.

Future

Working together to build a strong local health economy that serves our community now and in the future.

2020 target: *develop a Health and Care Partnership wide regional Sustainable Development Management Plan with 2025 carbon reduction targets in line with the Climate Change Act*

- The key focus in the year had been developing a new CWC strategy to take the Trust to 2025.

Setting the course to 2025

Having met the 2020 carbon targets a year early, the Trust is now in the process of refreshing the CWC programme to 2025. A broad range of staff from the Trust have been engaged in the process, with a new strategy to be released in 2021. This will focus on:

- How the Trust will meet its 2014 commitment to become a zero carbon provider in line with new NHS targets to 2040.
- Sustainable clinical practice through sustainable healthcare principles with an associated programme of work.
- To broaden the impact of the CWC programme throughout the ICS.

Social, community, anti-bribery and human rights

The Trust has in place the following policies, procedures and strategies to enable a culture of fairness, openness and transparency, ensuring the best possible outcomes are delivered within the community it serves:

Equality and Diversity Policy & Procedure

Aims for equality of opportunity that is accessible, person-centred, safe and effective. Promoted to people who use Trust services and for staff to know that the Trust is committed to ensuring equality of opportunity, support and development of careers.

Anti-Fraud, Bribery and Corruption Policy

It is a core responsibility of everybody to report their suspicions or specific knowledge of any act of fraud, bribery or corruption that may be occurring at the Trust. All referrals are dealt with confidentially.

Prevent Strategy

The safety of children, young people and adults at risk of radicalisation is the responsibility of all staff at all times. To ensure those children, young people and adults at risk in the community are appropriately identified, supported and referred is core to safeguarding processes.

Research and Development Strategy

The Trust delivers excellent clinical research at the heart of the community by building and sustaining a vibrant clinical research environment that is robust, cost-effective, nationally competitive, and aligned to local, regional and national priorities.

Safeguarding Strategy

The Trust's strategic approach is to strengthen arrangements for safeguarding. It makes clear the roles and responsibilities of all staff to safeguard.

Security Strategy

This strategy sets out how the Trust fully complies with its statutory and regulatory obligations in regard to the management of security.

United Kingdom Modern Slavery Act (2015)

The Trust is committed to comply with the UK Modern Slavery Act (2015) to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

To protect workers from modern slavery the Trust undertakes pre-employment checks for all people being recruited, including that they have the required legal documents to verify their identity and right to work in the UK. The Trust uses staff from agencies on approved frameworks, which are audited to provide assurance that pre-employment clearance has been obtained for agency staff. The Trust also applies professional codes of conduct and practice relating to procurement and supply, including through its Procurement team's membership of the Chartered Institute of Procurement and Supply.

The Trust's commitment is to ensure no modern slavery or human trafficking is related to any of its business is set out in its purchase orders. If the Trust becomes aware of a supplier involved in modern slavery, then it will alert the authorities in that area including expressing a concern to the local safeguarding teams and police.

Workforce Race Equality Standard (WRES)

The NHS Equality and Diversity Council announced on 31 July 2014 that it had agreed action to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

This is important because studies shows that a motivated, inclusive and valued workforce helps deliver high quality patient care, increased patient satisfaction and better patient safety.

Since 2015 the Trust has demonstrated its commitment to WRES by publishing an annual report and celebrating BME at the Trust through various awareness engagement events organised by its Black Asian and Minority Ethnic (BAME) network.

Developing the Brighton General Community Health Hub

In November 2017 the Trust announced its intention to redevelop the East Brighton site of the former Brighton General Hospital into a purpose-built Community Health Hub.

Parts of the site, which is owned by the Trust, was originally built as a workhouse in the 1860s. It became a general hospital in 1948 but by 2009 the wards no longer met the relevant standards and there have not been in-patient services on the site since.

Services were historically developed on a piecemeal basis. Consequently, patient and support services are distributed across 20 different buildings across the site. In addition, the site includes a steep hill which makes accessibility challenging and inhibits effective communication and collaboration between teams.

Only 50% of the estate is currently well-utilised and many of the buildings are so rundown that they have been left empty for a number of years. The cost of maintaining the site in its current state is high and these costs divert funds from frontline NHS service delivery and patient care.

In 2018 the Trust undertook a wide-ranging programme of engagement on future plans for the site. This included conversations with people inside and outside of the organisation, as well as seeking the views of patients, the public and the local community.

This engagement informed the selection of a preferred option for the development which was set out in the Outline Business Case (OBC). The OBC was approved by the Trust Board in October 2018 and NHS Brighton and Hove Clinical Commissioning Group confirmed its support for the project in December 2018.

The Trust will be seeking approval from its regulator, NHS England and NHS Improvement (NHSE and NHSI), in 2021-22. The process has been delayed due to the response to the COVID-19 pandemic.

Signed:

Siobhan Melia, Chief Executive
Date: 23 June 2021

Accountability Report

Directors' Report

The Board of Sussex Community NHS Foundation Trust

The following changes to the Board were made during the year:

- Susan Marshall, Chief Nurse retired on 29 May 2020.
- Donna Lamb joined the Trust as Chief Nurse on 1 June 2020.
- Maggie Ioannou, a Non-Executive Director, term of office was extended for 8 months from 1 December 2020 to 31 July 2021.

The Executive Directors who are members of the Board and their portfolios are as follows:

- **Chief Executive:** has overall executive responsibility for the Trust and is accountable to the Board and, in addition, leads the communication and engagement function.
- **Chief Financial Officer/Deputy Chief Executive:** leads on audit, finance, performance, business development and service improvement.
- **Chief Operating Officer:** leads on operations and emergency planning.
- **Chief Nurse:** leads on quality governance, patient experience and involvement, safeguarding, is the Director of Infection Prevention and Control and Executive Lead for Freedom to Speak Up (FTSU).
- **Medical Director:** leads on patient safety, aspects of quality governance and risk. Professionally responsible for medical, dental, public health, pharmacy and research and development staff. Responsible Officer for medical revalidation, Caldicott Guardian and Chief Clinical Information Safety Officer.

Executive Directors who are not Board members, but attend Board meetings, are as follows:

- **Director of Human Resources and Organisational Development:** leads on workforce, human resources, organisational development and occupational health.
- **Chief Digital and Technology Officer:** leads the digital strategy, information management and technology.

The Board is responsible for setting the vision and strategy of the Trust and for its overall performance, taking into account the views of the Council of Governors and members.

Membership of the Board is consistent with the requirements of the Trust's constitution. The Non-Executive Directors' skills and experience ensures there is sufficient scrutiny of Executive Directors' decision-making. The Board normally meets in public six times a year, however due to the pandemic, Board meetings in March, April and May 2020 were held in private with a summary of business transacted published on the Trust's website and the Council of Governors was briefed by the Chair.

The Board has in place a scheme of delegation and a schedule of powers and decisions reserved to the Board to ensure that decisions are taken at the appropriate level. The Board delegates responsibility for the day-to-day implementation of strategy to the Executive team. All Board members have confirmed their support for, and adherence to, the code of conduct for NHS Board members. All non-executive directors are considered to be independent.

During 2020-21, the Board reviewed its effectiveness, including consideration of Board composition to ensure continued robust assurance and oversight of strategy. The Board also considered how to take forward its responsibilities to equality, diversity and inclusion.

Directors' roles and responsibilities

Executive Directors

Siobhan Melia,
Chief Executive

Appointed 01/09/16

She was previously Deputy Chief Executive and Director of Partnerships and Commercial Development at the Trust.

Siobhan has worked in the NHS for over 21 years in a range of roles. She has a clinical background obtaining her postgraduate degree in podiatry from the University of Brighton and has fulfilled a number of different clinical leadership roles. Subsequently Siobhan undertook senior management and Board level roles at a large NHS community health provider in Berkshire. In 2012 she received her MBA (Health Executive) from Keele University.

She joined the Trust in October 2013 from Telefonica UK, where she headed up their Telehealth division.

Mike Jennings,
Chief Financial Officer

Appointed 10/10/16

Mike is a qualified accountant and a fellow of the ACCA. He began his accountancy career working in the financial services industry, then worked in higher education and began his NHS career in 2002. He moved from Sussex Partnership NHS Foundation Trust in 2009 and joined Western Sussex Hospitals NHS Foundation Trust.

At Western Sussex he was Deputy Director of Finance and interim Finance Director before joining their executive team permanently in 2014 as Commercial Director.

Kate Pilcher,
Chief Operating Officer

Appointed 01/10/19

Kate started her career in the NHS as a midwife and health visitor before working in several operational roles within children and adult services, including Head of Children's Services and Area Director.

Kate was appointed interim Director of Operations in October 2017 to support the Trust's Chief Operating Officer, with a particular focus on supporting colleagues internally who manage and provide patient services. This role was made substantive in May 2018. In October 2019 Kate was promoted to Chief Operating Officer.

Kate has an MSc in Leadership and Management. She has been with the Trust since it was formed in October 2010.

Dr Sara Lightowlers,
Medical Director

Appointed 01/08/19

Sara graduated in Medicine from University College London in 1988. She completed her postgraduate training in North West and South West Thames regions. For the past 22 years she has worked as a Consultant in Geriatric and General Medicine, held a number of clinical and educational leadership roles and most recently has been Medical Director for Newham Hospital, part of Barts Health NHS Trust.

Donna Lamb,
Chief Nurse

Appointed 01/06/20

Donna began her career in acute care before moving to children's services, qualifying as a midwife in 1992 and a health visitor in 1995.

Donna held a number of roles in children's community services in London including the Sure Start programme. She moved into a quality and clinical governance role whilst also being part of the Nursing and Midwifery Council as a Fitness to Practice panellist. In 2013 she joined Hounslow and Richmond Community Healthcare NHS Trust as an Assistant Director of Quality and Governance. In 2017 she was seconded into the role of Director of Nursing and Non-Medical Professionals before being appointed substantively.

Donna is a scholar of the Florence Nightingale Foundation and has an MSc in Health Services Management.

Caroline Haynes,
Director of Human Resources and Organisational Development

Appointed 01/11/17

Caroline was previously Deputy Director of Human Resources and Organisational Development. She joined the Trust in March 2016 and has worked in the NHS for over 20 years in a range of roles in HR and OD. Caroline has an MA in Human Resources Management and has previously worked in acute, specialist and mental health NHS trusts.

Diarmaid Crean,
Chief Digital and Technology Officer

Appointed 28/05/2019

Prior to joining the Trust Diarmaid was Digital Lead at Public Health England for five years. Whilst there he was responsible for introducing new agile ways of working and helping the organisation adopt a service design approach. The services he helped support and develop included the FoodSmart app, Couch to 5k, London GoodThinking, Public Health Outcomes, NHS Health Checks, NHS Apps library, NHS.UK, GOV.uk and many more.

Prior to that role, Diarmaid worked in many areas of the private sector delivering digital transformation for a number of large organisations such as Tui Travel, AOL and Investec Investment Bank and also smaller digital disruptors such as Zopa and Interactive Investor. He is passionate about maximising the use of digital technology to improve the services offered by organisations and most importantly their end users (and for the NHS its patients).

Non-Executive Directors

Peter Horn,
Chair

Appointed 01/06/17

Peter joined the Trust in June 2017. He had previously, for six years, chaired a community interest company providing high quality NHS community health services in Medway and North Kent. He has broad experience of the NHS working in both executive and non-executive roles.

- Chair of the Board and the Council of Governors
- Member of Quality Improvement Committee
- Chair of Nominations and Remuneration Committee
- Chair of Council of Governors Nominations and Remuneration Committee

Maggie Ioannou,
Non-Executive Director

Appointed 01/12/13

Maggie is a nurse by background, and has extensive professional leadership experience in community nursing, including at board level.

In her last post she was director of nursing, quality and safety for Surrey Primary Care Trust (PCT). In this role she provided leadership on clinical quality and safety during a time of significant change, spanning the separation of the PCT's responsibilities to commission as well as providing community services, through to the transition to the new system of clinical commissioning groups, established in April 2013.

- Senior Independent Director (SID)
- Member of Audit Committee
- Member of Quality Improvement Committee
- Member of Nominations and Remuneration Committee

Stephen Lightfoot,
Non-Executive Director

Appointed 01/09/13

Stephen is also Chair of the Medicines and Healthcare products Regulatory Agency (MHRA). He has extensive commercial experience. Prior to joining the Trust, he had a 30 year career in the pharmaceutical industry, including senior UK and global business management roles.

- Deputy Chair

- Chair of Resources Committee
- Member of Audit Committee
- Member of Nominations and Remuneration Committee

David Parfitt,
Non-Executive Director

Appointed 01/07/14

David is a chartered accountant with broad commercial experience in complex and customer-orientated organisations undergoing significant change including Granada Group, TSB Group and Lloyds Banking Group, where he became risk, control and accounting director (retail).

He brings strong experience in finance, human resources, organisational development, strategic and change management and governance.

In addition, he has direct experience of the NHS, first as a non-executive director of Luton Primary Care Trust (PCT) and latterly as a lay member (audit and governance) of NHS Luton Clinical Commissioning Group.

- Chair of Audit Committee
- Member of Charitable Funds Committee
- Member of Resources Committee
- Member of Nominations and Remuneration Committee

Elizabeth Woodman,
Non-Executive Director

Appointed 01/02/15

Elizabeth brings legal knowledge and significant experience of working on strategy at senior and board level in large organisations. Originally Elizabeth qualified as a solicitor in a magic circle City law firm and then moved to a tax practice at an accountancy firm where she requalified as a chartered tax advisor. She then became an executive remuneration consultant for a large firm of actuaries specialising in executive incentive schemes and board governance.

She has spent much of her working life in professional publishing and online information businesses, bringing to market a number of successful online products aimed at professionals. Elizabeth was vice president accountable for revenue and strategy at Thomson Reuters Legal, UK & Ireland until September 2014. Until May 2019 she was Chief Executive of a well-known barristers' chambers in London that specialises in public law.

Elizabeth combines her role at the Trust with being Managing Director of Kapow Primary Limited an online education publisher.

- Chair of Quality Improvement Committee
- Member of Nominations and Remuneration Committee

Janice Needham,
Non-Executive Director

Appointed 08/06/15

Janice is an independent management consultant working primarily in the not-for-profit sector, with notable clients including the National Lottery Community Fund and Comic Relief. She brings extensive and wide-ranging management and senior level experience gained across government, local council and the voluntary sectors. She has served on the management boards of three national charities, held a director level position with Voluntary Services Overseas (VSO) and worked as a statistician with the Department of Health.

- Chair of Charitable Funds Committee
- Member of Resources Committee
- Member of Nominations and Remuneration Committee

Statement of Director's Responsibilities in respect of the Annual Report and Accounts

The directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for patients, regulators, and stakeholders to assess the Trust's performance, business model and strategy.

Board of Directors and Council of Governors: Declarations of Interest

The Trust maintains separate Register of Interests of Directors and Governors. Both registers are available from the Trust's website: www.sussexcommunity.nhs.uk/board and www.sussexcommunity.nhs.uk/governors.

Compliance with the Code of Governance Provisions

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

Attendance at Board Meetings

NAME	TITLE	CURRENT TENURE DETAILS	ATTENDANCE AT BOARD OF DIRECTORS
Non-Executive Directors			**Number of possible attendances / 9**
Peter Horn	Chair	Appointed 01/06/17 Term ends 31/05/23	9 (out of 9)
Stephen Lightfoot	NED	Appointed 01/09/13 Term ends 31/09/21	9/9
Elizabeth Woodman	NED	Appointed 01/02/15 Term ends 30/06/21	9/9
Janice Needham	NED	Appointed 08/06/15 Term ends 30/06/21	9/9
Maggie Ioannou	NED	Appointed 01/12/13 Term ends 31/07/21	9/9

David Parfitt	NED	Appointed 01/07/14 Term ends 30/06/21	9/9
Executive Directors			
Siobhan Melia	Chief Executive	Commenced 01/09/16	9/9
Mike Jennings	Chief Financial Officer	Commenced 10/10/16	8/9
Donna Lamb	Chief Nurse	Commenced 01/06/20	5/5
Dr Sara Lightowlers	Medical Director	Commenced 01/08/19	8/9
Kate Pilcher	Chief Operating Officer	Commenced 01/10/19	9/9
Susan Marshall	Chief Nurse	Retired 29/05/21	3/4

Council of Governors

All NHS Foundation Trusts are required to have a Council of Governors (CoG). Their specific statutory duties are as follows:

- Appoint and, if appropriate, remove the Chair.
- Appoint and, if appropriate, remove the other NEDs.
- Decide the remuneration and allowances and the other terms and conditions of office of the Chair and the other NEDs.
- Approve the appointment of the Chief Executive.
- Appoint and, if appropriate, remove the Trust's external auditors.
- Receive the Trust's annual accounts, any report of the auditor on them, and the annual report.
- Give views on the Trust's forward plans.
- Approve (or not) any increase by 5% or more the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England.
- Hold the NEDs to account, individually and collectively, for the performance of the Board.
- Approve (or not) any proposal for merger, acquisition, separation or dissolution.
- Approve (or not) any significant transaction (as defined in the Trust's Constitution).
- To represent the interests of Foundation Trust members and the public as a whole.
- Approve (jointly with the Board of Directors) any amendments to the Trust's Constitution.

Further key functions for Governors are to:

- Act in the best interests of the Trust and adhere to its values and code of conduct.
- Feedback information about the Trust, its vision and its performance, to the members or stakeholder organisations that either elected or appointed them.
- Communicate with members and relay members' views to the Board.
- Develop and review the FT Membership Strategy, ensuring representation and engagement levels are maintained and developed in line with strategy.

How the Board of Directors and the Council of Governors work together

Governors are invited to attend and observe all Board of Directors meetings held in public as part of their ongoing engagement and development with the Trust generally and Board in particular. One Governor attends the Audit Committee and two Governors are members of the Charitable

Funds Committee. The Trust encourages its Governors to engage with the public and members by promoting membership to the Trust, as well as encouraging Governors to join relevant groups who can represent the patient voice (e.g. Patient Participation Groups) and bring feedback and intelligence to the Board.

Governors are allocated time at each Board meeting to ask questions on behalf of members or to relay members' views to the Board. In addition, Governors are able to contact Trust officers outside formal meetings in relation to members' feedback and/or to ask questions. Governors also meet jointly with the Board every six months, to discuss areas of joint interest and promote closer working arrangements. These joint meetings facilitate the Governors' duty to hold NEDs to account, individually and collectively, for the performance of the Board and provide NEDs with a medium for ascertaining and understanding Governors' and members' views. The Council of Governors met four times in 2020-21. NEDs are also able to attend formal Council of Governor meetings, Governor Committee meetings and membership events as additional opportunities to further these relationships.

In the event of a disagreement between the Council of Governors and Board of Directors, the Dispute Resolution process referred to in the Trust's Constitution (Annex 8) will be invoked.

During 2020-21, the Council of Governors had four committees/groups to progress various aspects of the Council's work:

- Council of Governors Nominations and Remuneration Committee – to review the Chair and NED's remuneration and to review succession planning of NEDs. Further details of this Committee are set on page 38.

- Governor Steering Group – agenda setting for the Council of Governors meetings, Governor feedback and reviewing the composition of the Council of Governors.

- Governor Strategy Group – to provide Governor input into future strategic direction of the Trust in order to achieve its strategic goals and to engage with Governors on major strategic programmes.

- Governor Staff Group – to enable Staff Governors to network together and to share specific feedback from the staff constituencies.

Council of Governors' Elections and Tenure

The Council of Governors consists of 28 Governors (15 Elected Public Governors, 5 Elected Staff Governors and 8 Appointed Governors). It was increased from 22 to 28 Governors effective from 1 April 2019 with agreement from both the Board of Directors and Council of Governors.

Public and Staff Governors are elected in accordance with the Trust's Constitution Election Rules for terms of 3 years. The terms for Appointed Governors are 2 years.

Due to resignations, 4 vacancies existed for a period of time during 2020-21. The number of Governors in office has therefore fluctuated in the year but the average number in office was 24.

Elections were held in 4 Public constituencies in February 2021 and all seats were filled.

Attendance at Council of Governor Meetings 2020-21			
Members and Constituency		**Current Tenure**	**Attendance at Council of Governors**
PUBLIC GOVERNORS			
Martin Osment	Adur	Commenced 01/03/17 Re-elected 01/03/20	3/4
David McGill	Arun	Commenced 09/09/16 Re-elected 09/09/19	4/4
Vacancy	Arun	Since 04/03/20	
Stella Benson	Brighton and Hove	Commenced 01/04/19	4/4
Christine Hearn	Brighton and Hove	Commenced 01/04/19	4/4
Stan Pearce	Brighton and Hove	Commenced 05/11/15 Re-elected 01/04/19	3/4
Ratnam Nadarajah	Crawley	Commenced 01/03/17 Re-elected 01/03/20 Resigned 02/09/20	0/1
Vacancy	Crawley	Since 03/09/20	
Carolyn Costello	Chichester	Commenced 01/04/19	2/4
Richard Norrie	Chichester	Commenced 01/04/19	4/4
Janet Baah	High Weald, Lewes and Havens	Commenced 01/03/20	4/4
Martin Ensom	High Weald, Lewes and Havens and Lead Governor	Commenced 01/04/19	4/4
Lilian Bold	Horsham	Commenced 05/11/15 Re-elected 01/04/19	4/4
Anne Walder	Horsham	Commenced 01/04/19	3/4
Vacancy	Mid Sussex	Since 06/03/20	
Tanya Procter	Worthing	Commenced 01/04/19 Resigned 28/09/20	0/2
Vacancy	Worthing	Since 29/09/20	
STAFF GOVERNORS			
Jessica Poulton	Allied Health Professionals including Therapists	Commenced 01/03/20	3/4
Griselda Wireko-Brobby	Doctors and Dentists	Commenced 01/04/19	3/4
Ngaire Cox	Nurses and Healthcare Assistants	Commenced 05/11/15 Re-elected 01/04/19	2/4
Emma Swarbrick	Nurses and Healthcare Assistants	Commenced 01/04/19	2/4
Anita Sturdey	Support Staff	Commenced 09/11/16 Re-elected 09/11/19	4/4
APPOINTED GOVERNORS			

Rob Persey	Brighton and Hove City Council	Commenced 01/03/19 Reappointed 01/04/21	1/4
Pennie Ford	Clinical Commissioning Groups	Commenced 01/11/20	2/3
Rachel Harrington	Clinical Commissioning Groups	Commenced 01/11/18 Term ended 31/10/20	0/2
Tara Dean	Higher Education	Commenced 01/04/19	3/4
Joy Dennis	West Sussex County Council	Commenced 19/07/19	3/4
Jacob Bayliss	Children and Young People	Commenced 01/04/19 Resigned 31/03/21	0/4
Grainne Saunders	Children and Young People and Deputy Lead Governor	Commenced 01/04/19 Reappointed 01/04/21	4/4
Ann Barlow	Volunteers	Commenced 12/03/20 Reappointed 01/04/21	3/4
Elaine Foster-Page	Volunteers	Commenced 01/04/19 Reappointed 01/04/21	3/4

Governors who left the CoG during the year	
Ratnam Nadarajah	Crawley
Tanya Procter	Worthing
Rachel Harrington	Clinical Commissioning Groups
Jacob Bayliss	Children and Young People

Nomination and Remuneration Committees

The Trust operates two separate Committees to make recommendations with regard to the appointment and remuneration of Executive and NEDs. They are:

- Board of Directors Nominations and Remuneration Committee – for Executive Director.
- Council of Governors Nominations and Remuneration Committee – for NEDs.

Executive Director Remuneration

Remuneration and Terms of Service for the Chief Executive and Executive Directors is considered by a Board of Directors Nominations and Remuneration Committee (BoD NRC), whose membership consisted of the Chair and Non-Executive Directors. During 2020-21, the Committee met in July 2020 to review the performance and remuneration of the Executive Directors. The Committee's attendance record is set out on page 38.

The Combined Code of Corporate Governance, the NHS Foundation Trust Code of Governance and NHS policy requires remuneration committees to ensure that the remuneration packages are sufficient to attract, retain and motivate directors of the quality needed to successfully manage the organisation, but to avoid paying more than is necessary.

In order to fulfil this requirement, the Executive Director's remuneration package is nationally benchmarked against comparable trusts. This is used to inform the deliberations and decisions of the Committee.

All Nominations and Remuneration Committee meetings are formally minuted.

Board of Directors Nominations and Remuneration Committee		
Name	Position	Meetings attended (out of a possible 1)
Peter Horn	Chair	1/1
Stephen Lightfoot	NED/Deputy Chair	1/1
Maggie Ioannou	NED	1/1
David Parfitt	NED	1/1
Elizabeth Woodman	NED	1/1
Janice Needham	NED	1/1

Policy on Remuneration of Senior Managers

With the exception of Executive Directors, the remuneration of all staff is set nationally in accordance with NHS Agenda for Change (for non-medical staff) or Pay and Conditions of Service for Doctors and Dentists (for medical staff). The Board of Directors Nominations and Remuneration Committee approves any changes to the pay and terms and conditions of the Executive Directors. Performance Related Pay (PRP) is not applicable for any Trust staff, with the exception of Executive Directors.

Non-Executive Director Remuneration

The Council of Governors is responsible for approving the remuneration of the Chair and Non-Executive Directors, based on the recommendations of its Council of Governors Nominations and Remuneration Committee (CoG NRC). The CoG NRC comprises the Chair, Lead Governor, one further Elected Public Governor, one Appointed Governor and one Staff Governor. The Chief Executive, the Director of HR and OD and the Trust Secretary are in attendance as required. The CoG NRC met on 18 June and 19 November 2020 and reported to the CoG after each meeting.

In June the Committee reviewed NED performance and remuneration for 2020-21 and agreed increases in remuneration in line with NHSE/I's structure to align remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts published in November 2019. In November the Committee reviewed NED succession planning, selection and recruitment.

Further to discussion by the Board and the CoG on the future needs of the Trust and, in view of the length of service of the current NEDs, the CoG NRC led a process to recruit new NEDs for the Trust. The CoG NRC agreed the appointment of a specialist recruitment partner who had a track record in making diverse NED appointments within the NHS. The interview panel had a governor majority and included the Chair and an external assessor. Two stakeholder panels were also held as part of the interview process. Succession planning was taken into account to ensure a robust handover of responsibilities as two NEDs are to stand down in June 2021, with a further two to depart in September. The CoG NRC recommended to the CoG, and the CoG approved at its meeting on 17 February 2021, the appointment of four new NEDs and an Associate NED to the Board during the course of 2021-22.

Attendance at Council of Governors Nominations and Remuneration Committee

Nominations and Remuneration Committee	Number of meetings attended
Peter Horn – Chair	2/2
Martin Ensom – Lead Governor	2/2
David McGill – Public Governor	2/2
Anita Sturdey – Staff Governor	2/2
Rob Persey – Appointed Governor	1/2

Auditors and Audit Committee

Auditors

The Trust's auditors during 2020-21 were as follows:

- Internal Auditors: TIAA

The internal audit plan is risk-based and is prepared annually by the internal auditors in conjunction with the Executive Directors. The draft plan is then presented for review and agreement by the Audit Committee and any changes to the agreed plan in the course of the year requires the Committee's consent. The plan covers areas which are considered to be high risk or of concern as well as those that are a national requirement. The Audit Committee reviews the performance of internal audit. In addition, a clinical audit plan is prepared by the Trust for approval by the Quality Improvement Committee which is also reviewed by the Audit Committee.

- External Auditors: Grant Thornton

The Audit Committee receives regular reports from the external auditors and monitors their performance. If the external auditors are requested to provide non-audit services, this has to be in accordance with the Trust's policy for External Audit Additional Services and agreed by the Audit Committee and the Council of Governors. In 2020-21 the external auditor provided no non-audit services.

Audit Committee

The Audit Committee provides assurance to the Board of the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and reviewing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter-fraud and internal control across the whole of the Trust's activities, and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. It also receives regular reports from the external auditors, the internal auditors and the local Counter Fraud specialists.

The Audit Committee's remit encompasses elements of healthcare assurance, such as clinical audit, as well as the more traditional audit areas of finance and corporate governance. The

Committee has regular meetings with both internal and external auditors without the presence of the Executive Directors.

The external auditors prepare and implement an annual work plan to review the financial management and reporting systems of the Trust and provides assurance that the annual accounts and supporting financial systems are operating effectively. They provide regular progress reports to the Audit Committee.

Internal auditors assists the Audit Committee by providing statements of assurance regarding the adequacy and effectiveness of internal controls. The Chief Financial Officer is responsible for implementing systems of internal financial control and advising the Audit Committee on such matters.

The Committee regularly reviews its own performance against its objectives agreed with the Board. In 2020-21 the Committee achieved its objectives particularly through agreeing audit programmes for the year and monitoring their implementation as well as regularly receiving and reviewing reports on the activities of both the internal and external auditors, and counter fraud.

At its meetings on 11 June 2021, the Committee considered the Annual Report and Accounts for the year ended 31 March 2021 and agreed that they contained no significant issues that required addressing under the terms of the UK Corporate Governance Code 2018.

Membership and Attendance of Audit Committee

Name	Position	Meetings Attended (out of a possible 6)
David Parfitt	Chair	6/6
Stephen Lightfoot	NED	4/6
Maggie Ioannou	NED	6/6

Health and Safety

Responsibilities

The Chief Financial Officer is the executive lead for health and safety, and reports in this regard to the Chief Executive, Board and Quality Improvement Committee. The Safety and Risk Manager is responsible for the management of risk, health and safety, and safety alert bulletins.

The Trust's Health and Safety Committee (HSC) meets quarterly to review the Trust's performance, in regard to health and safety, and advises the Executive Committee and Board accordingly. The Committee submits an Annual Health and Safety Report to a public Board meeting, and copies of the reports are available to members of the public on the Trust's website. The Committee is supported by a number of specialist reporting groups, including the Medical Devices Group, Medical Gas Group and the Radiation Protection Group.

Training

All members of staff must attend an induction on joining the Trust. This includes training and information on health and safety, with a particular focus on staff responsibilities, how to report incidents or near misses, and an overview of the Trust's policies and procedures.

All staff (including temporary bank staff) attend or complete online annual statutory training, which includes updates and basic training on core subjects such as health and safety, fire safety, and lone working.

Additional health and safety training is provided to all leads, managers, and health and safety representatives, so that they are fully aware of how to implement the Trust's policies and procedures; including how to undertake risk assessments, assess computer workstations, investigate accidents, and support staff at greater risk e.g. young people and expectant mothers.

The Trust also provides specific training on Food Hygiene, Mental Health First Aid, Patient Handling, Conflict Resolution (including conflict on telephone calls for support staff), Resuscitation, First Aid, Risk Management, and bespoke courses. The Trust's trainers use a range of teaching methods and tools including: virtual and face to face courses, patient handling and resuscitation dummies with real time digital feedback, workbooks, virtual drop-in sessions for questions and answers, mock arrests and simulated scenarios. All of the Trust's courses have set refresher periods, so that staff stay up-to-date with safe working practices. Attendance rates are monitored through the Trust's governance groups and committees.

Developments

The Trust's Health and Safety team undertake regular audits across relevant areas of the Trust, as part of a rolling programme, to monitor and provide assurance that policies and procedures are being effectively implemented and work environments and activities are safe. During the COVID-19 pandemic this has expanded to include support and checks for services, ensuring that staff and patient environments continue to be COVID safe. Findings and guidance from the audits and visits is fed back to managers, and status of actions plans and themes reported to senior managers. The findings from audits inform the Health and Safety Committee's annual work plan and objectives each year.

The Trust's health and safety objectives are formed from the findings and outcomes from incidents, internal inspections and audits, feedback from staff, and external requirements. During 2020-21 the Trust's objectives included initiatives to promote staff health and to support reducing sickness rates related to conditions such as musculoskeletal disorders and stress.

Information Governance

Information Governance (IG) ensures necessary safeguards for, and the appropriate use of, patient and personal information. The Board ensures that all information used for operational and financial reporting purposes is encompassed by, and evidence maintained of, effective information governance processes and procedures with risk based and proportionate safeguards. In order to demonstrate compliance with the General Data Protection Regulations 2016; the Data Protection Act 2018; and relevant information governance guidance, the Trust needs to be able to demonstrate that:

- Information governance policies and procedures are understood by all relevant staff and are operating in practice.
- Reliable incident reporting procedures are in place, with appropriate follow up.
- There have been no material breaches in data security (including personal data in transit) resulting in actual data loss.
- Risk assessments are undertaken and updated on a regular basis.
- Proper levels of security and access controls operate.
- A Data Protection Officer, with appropriate access to the Board including the delivery of periodic reports on governance issues, is in post.

Due to COVID-19 pandemic the submission date for the 2020-21 Data Protection and Security Toolkit was extended to 30 June 2021. At the date of this report, the Trust is on track to achieve all mandatory evidence items.

In 2020-21 the Trust reported two serious information governance incidents to the Information Commissioner's Office (ICO). The first was reported on the 15 April, in which a confidential waste

console was reported missing from a Trust premises. It was subsequently confirmed to have been securely destroyed by a contractor and therefore not rated as being a serious incident.

The second incident was reported on the 20 August, in which an A4 folder containing a small amount of patients' information was lost by a member of staff whilst carrying out community visits. Despite multiple searches, not all the contents was found, which resulted in an action to inform the patients of the loss and to mitigate the risks.

In both cases the ICO closed the investigations with no further action required.

The Trust also reported 780 other IG related incidents (in 2019-20 it reported 751 other IG related incidents). The top five incident categories for the Trust are:

Incident Category	Number
Patient information sent incorrectly/inappropriately	167
Patient information received incorrectly/inappropriately	73
Patient documentation misfiled	69
Patient documentation inadequate/illegible/incorrect/wrong	62
Breach of patient confidentiality	49

All incidents are taken very seriously, they are followed up and awareness is raised across the Trust to staff, and all serious incidents are reported to the Board.

Remuneration Report

The following tables detail the salaries, allowances and pension benefits of directors and senior managers within the Trust.

The remuneration and terms and conditions of Executive Directors are determined by the Board of Directors Nomination and Remuneration Committee (BoD NRC) which consists of the Chair and all the Non-Executive Directors (NEDs). In deciding senior manager remuneration, the BoD NRC receives benchmarking data and assurance that recommendations on pay are made based on a fair assessment that does not include the post holders' protected characteristics. As an employer for, and a provider of, health services in Sussex the Committee takes the issues of fairness, rights and equality very seriously.

All Executive Director employment contracts include six months' notice periods. The Trust's pension policies are detailed in note 8 of the Trust's published annual accounts. From April 2016, the Trust introduced an element of performance related pay for Executive Directors.

It is the responsibility of the Council of Governors to decide the remuneration and allowances and other terms and conditions of the Chair and NEDs at the Council of Governors Nomination and Remuneration Committee (CoG NRC). NEDs do not receive pensionable remuneration. The CoG NRC followed the guidance issued by NHSE/I on aligning remuneration for Chairs and NEDs of NHS trust and NHS foundation trusts issued in November 2019.

The table below describes the components which make up the remuneration packages of senior managers, and how these offer support for the short and long-term strategic objectives, how the component operates, the maximum payment, the framework used to assess the performance, performance measures, the performance period and the amount paid for the minimum level of performance.

	Basic Salary	Performance Related Bonuses	Pension Benefits
Support for long and short-term Trust objectives	Ensuring recruitment and retention of high quality senior managers	Payment based upon delivery of Trust objectives	Ensuring recruitment and retention of high quality senior managers
How the component works	Through monthly payments	Payment based on agreed criteria	Through monthly payments
Maximum payment	Equal to basic salary	Based on a maximum value of £45k to be shared between all Directors	Equal to basic salary
Framework used to assess performance	Appraisal process	Appraisal process	Appraisal process
Performance measures	Individual objectives agreed with Chief Executive	Individual objectives agreed with Chief Executive	Individual objectives agreed with Chief Executive
Performance Period	Financial year	Financial year	Financial year
Amount paid for minimum level of performance	Equal to basic salary, no performance related element	Zero	Equal to basic salary, no performance related element

Policy on payment for loss of office

Notice of termination for all Directors is made in writing as follows:

- Notice of termination by the Trust six months.
- Notice of termination by the post holder six months.

Statement of Consideration of Employment Conditions Elsewhere in the Foundation Trust

In considering any decision on Senior Managers' pay the BoD NRC takes note of both the organisational and national context.

Expenses of Governors and Directors

Total expenses for Directors paid in the year was £1,635 (£41,572 in 2019-20) and for Governors was £166 (£1,070 in 2019-20).

Expenses paid to Directors and Governors		
	Number Claiming (including directors who have now left post)	Total (£)
Directors	9	1,635
Governors	2	166
Total	**11**	**1,801**

Salary and Pension entitlements of senior managers (subject to audit)

Non-Executive Directors 2020-21

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Peter Horn (Chair)	40-45	100	0	0	0	40-45
Maggie Ioannou	10-15	0	0	0	0	10-15
Stephen Lightfoot	10-15	0	0	0	0	10-15
Janice Needham	10-15	0	0	0	0	10-15
David Parfitt	10-15	0	0	0	0	10-15
Elizabeth Woodman	10-15	0	0	0	0	10-15

Non-Executive Directors 2019-20

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Peter Horn (Chair)	40-45	800	0	0	0	40-45
Maggie Ioannou	10-15	0	0	0	0	10-15
Stephen Lightfoot	10-15	200	0	0	0	10-15
Janice Needham	10-15	0	0	0	0	10-15
David Parfitt	10-15	300	0	0	0	10-15
Elizabeth Woodman	10-15	100	0	0	0	10-15

Executive Directors 2020-21

Name and title	(a) Salary (bands of £5000) £000	(b) Expenses payments (taxable) to nearest £100* £	(c) Performance pay and bonuses (bands of £5000) £000	(d) Long term performance pay and bonuses (bands of £5000) £000	(e) All pension-related benefits (bands of £2500) £000	(f) TOTAL (a-e) (bands of £5000) £000
Siobhan Melia	185-190	0	0	0	65-67.5	250-255
Donna Lamb (started 01/06/20)	95-100	0	0	0	125-127.5	225-230
Mike Jennings	150-155	0	0	0	77.5-80	230-235
Sara Lightowlers	175-180	0	0	0	0	175-180
Kate Pilcher	120-125	0	0	0	60-62.5	180-185
Caroline Haynes	105-110*	0	0	0	55-57.5	155-160
Diarmaid Crean	115-120	0	0	0	25-27.5	145-150
Susan Marshall (left 29/05/20)	20-25	0	0	0	0	20-25

*A back payment relating to 2019-20 was paid and is included in the 2020-21 figure.

Executive Directors 2019-20

Name and title	(a) Salary (bands of £5000) £000	(b) Expenses payments (taxable) to nearest £100* £	(c) Performance pay and bonuses (bands of £5000) £000	(d) Long term performance pay and bonuses (bands of £5000) £000	(e) All pension-related benefits (bands of £2500) £000	(f) TOTAL (a-e) (bands of £5000) £000
Siobhan Melia	170-175	0	5-10	0	55-57.5	235-240
Susan Marshall	130-135	0	0-5	0	27.5-30	160-165
Mike Jennings	135-140	0	5-10	0	57.5-60	200-205
Sara Lightowlers	115-120	0	0	0	0	115-120
Kate Pilcher	105-110	0	0	0	70-72.5	175-180
Caroline Haynes	90-95	0	0	0	30-32.5	120-125

Diarmaid Crean	95-100	0	0	0	15-17.5	110-115
Richard Curtin (left 24/05/19)	15-20	0	0	0	0	15-20
Richard Quirk (left 17/06/19)	20-25	0	0	0	0-2.5	20-25

Pay multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce. These comparisons are based on the full-time equivalent (FTE) remuneration (i.e. part-time remuneration grossed up to full-time equivalent).

The mid-point of the banded remuneration of the highest paid director at the Trust in the financial year 2020-21 was £187,500 (2019-20 £172,500). This was 6.1 times (2019-20 5.6 times) the median remuneration of the workforce, which was £30,615 (2019-20 £30,615).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. In 2020-21 one (2019-20 three) employee received remuneration in excess of the highest paid director. Remuneration ranged from £17,053 to £219,135 (2019-20 £16,053 to £205,422).

Pension Benefits

Name and title	(a) Real increase in pension at pension age (bands of £2500) £000	(b) Real increase in pension lump sum at pension age (bands of £2500) £000	(c) Total accrued pension at pension age 31 March 2021 (bands of £5000) £000	(d) Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5000) £000	(e) Cash equivalent transfer value at 1 April 2020 £000	(f) Real increase in cash equivalent transfer value £000	(g) Cash equivalent transfer value at 31 March 2021 £000	(h) Employer's contribution to stakeholder pension £000
Siobhan Melia (Chief Executive)	2.5-5	2.5-5	50-55	100-105	752	75	840	0
Donna Lamb (Chief Nurse)	5-7.5	35-37.5	50-55	150-155	851	188	1,091	0
Mike Jennings (Chief Financial Officer)	2.5-5	5-7.5	35-40	65-70	523	79	611	0
Sara Lightowlers (Medical Director)	Joined the Trust on 1 August 2019 and opted out of the NHS pension scheme a month later							
Kate Pilcher (Chief Operating Officer)	2.5-5	2.5-5	20-25	35-40	298	60	363	0
Caroline Haynes (Director of HR and OD)	2.5-5	5-7.5	15-20	30-35	236	50	289	0
Diarmaid Crean (Chief Digital and Technology Officer)	0-2.5	0	2.5-5	0	21	28	50	0
Susan Marshall (Chief Nurse)	0	0	45-50	135-140	1,148	n/a	n/a	0

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any

contingent spouse's pension payable from the scheme. A CETV 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 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 disclosure applies.

The CETV 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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV 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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed:

Siobhan Melia, Chief Executive
Date: 23 June 2021

Staff Report

Workforce

The Trust values its staff and recognises that they are its greatest asset. The overall workforce aim is to develop staff, give them clear career pathways, provide them with the leadership, skills and knowledge they need to deliver the care patients need now and in the future; to support their wellbeing and to recognise and value their diversity.

The workforce and the needs of patients are changing and, consequently, so is the way care is delivered. Shortages of clinical staff nationally, an older workforce and changes to education pathways means that the Trust's workforce profile is evolving. Pressures in secondary and social care and the emergence of new ways of working as part of the commitment to Primary Care Networks require staff to have new skills and for skill mix to see an increased proportion of unregistered clinical staff.

The Trust's Workforce Strategy, launched in 2019, describes the pathway to creating the workforce needed to deliver the Trust's vision of excellent care at the heart of the community. It sets out the strategic workforce priorities and the approaches taken to deliver them. It builds on the culture of innovation and continuous improvement, of openness and transparency, and of collaborative leadership grounded in its values. In addition, the strategy builds on the Trust's strong foundations as a good employer and its values, and is key to the delivery of the Trust's Strategy.

The Workforce Strategy is based on four key drivers that will help retain and engage with its people and attract and recruit new staff:

- To improve how the Trust connects across the organisation and how staff learn from each other.
- To ensure the Trust is an inclusive employer that offers a learning environment and a culture of development.
- To embed Trust-wide initiatives locally and equip its managers with the skills to lead their teams with confidence and compassion.
- To provide the right environment for people to carry out their role and stay well.

The NHS People plan focuses on the NHS being a better place to work, as well as on collaboration at system level. The Trust's Workforce Strategy is aligned to the national objectives and the Trust will continue to work with partners on key workforce issues affecting the NHS locally.

The delivery of this strategy will make a difference to the fantastic people who work in the Trust. The Trust is excited to put this into practice in the coming years to ensure everyone is able to thrive.

Workforce vision

The Trust is proud of the care provided to its patients and its pivotal role in the health and care system. Its vision is to be the employer of choice for clinicians and support staff whether they are already employed by the Trust, are starting their career in the NHS or are looking for a role that will fulfil their professional ambitions and meet their personal aspirations.

To help retain staff a new Job Options support service was launched. It enables staff to have discussions with an impartial colleague if their current role is no longer right for them, and to help them look at alternative opportunities within the Trust, instead of leaving.

The Trust will continue to monitor its performance against other NHS trusts, through the national staff survey. In addition, it will continuously review what it does, what has worked and has not worked well encouraging staff feedback, and what improvements and innovation will help in the

future. The Trust will monitor workforce indicators to measure its performance against targets and will continue to celebrate success.

Staff engagement

The organisation's performance in major communications and engagement campaigns has continued to improve, indicating an increasing level of staff engagement. This includes:

- The campaign to improve flu vaccination rates which exceeded its 80% target ahead of schedule and achieved 86% compared with 82.4% in 2019-20. The Trust achieved the highest vaccination rate in Sussex.
- All staff were supported to get their COVID-19 vaccine from January 2021 and as soon as possible.
- Health and wellbeing continued to be a major focus. Teams and individuals were supported to access tailored and relevant support appropriate for their specific needs.

Equality and diversity

As an inclusive employer, the Trust is committed to making sure equality of access to employment, career development and training, and the application of human rights for all staff.

This approach is set out in the Trust's equality and diversity policy, which gives full and fair consideration to disabled applicants and continuing support to staff who become disabled.

In November the Trust held its first meeting of the Equality, Diversity and Inclusion Executive Steering Group which looks at staff equality, population health and patient experience.

As part of planned Non-Executive Director recruitment in February, two of the five appointed candidates to start in 2021-22 are from black, Asian and ethnic minorities (BAME).

27% of candidates who stood for one of four public governor roles in early 2021 were BAME.

The Trust's Equality and Diversity work has included reviewing processes and support for staff requiring appropriate reasonable adjustments, introduced reciprocal mentoring and has started to roll out hidden disabilities training across the organisation.

The Trust supports staff to undertake equality and diversity training. Equality, diversity and inclusion is embedded into Trust policies.

Staff networks promote the needs of, and support staff from a BAME background, LGBTQ+, disabled and those who have religious beliefs.

The Trust is proud to have been re-awarded Disability Confident level two and will continue to work with its partners and its people to make sure it maximises every opportunity to build the best and most diverse workforce possible.

NHS Staff Survey

The national NHS staff survey is conducted annually. The results are grouped to give scores in 10 key themes. The Trust is above average, or in line with other providers of NHS community services, in seven of the key themes, as set out on page 52.

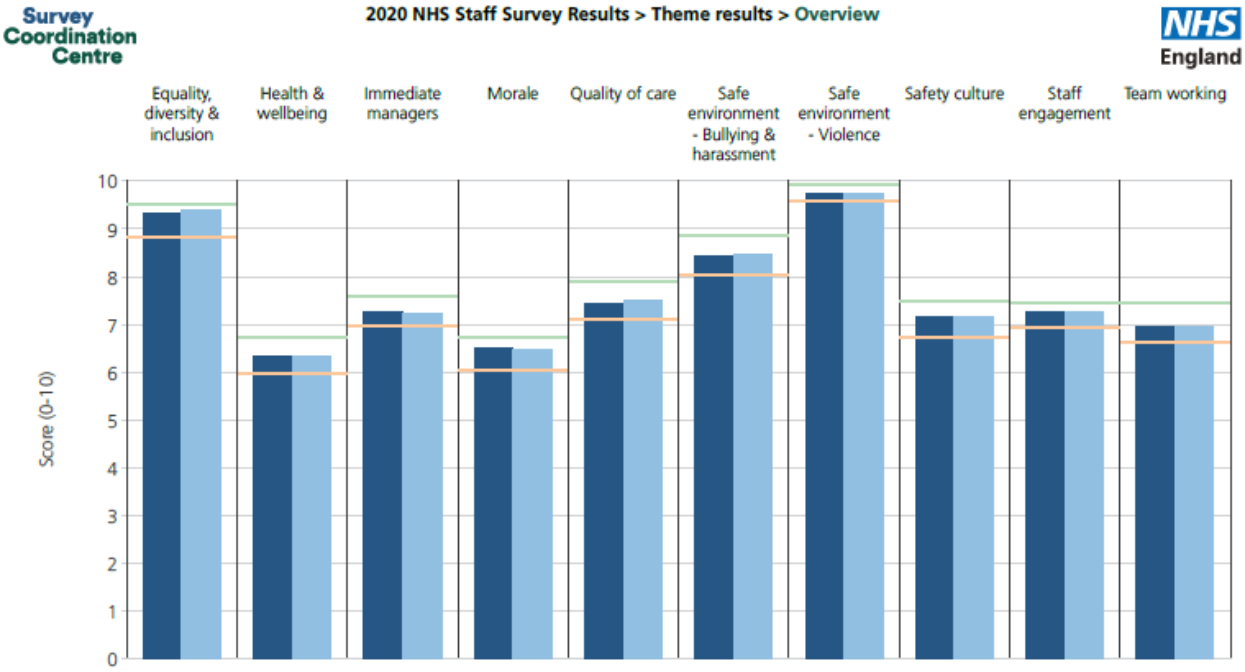
The indicators are based on a score out of 10 for certain questions with the indicator score being the average of those.

More than 3,000 staff responded representing 63% of the organisation. The results showed that:

- 83% of people say care is the Trust's top priority, up from 81% in 2019.
- 81% would recommend the care the Trust provides to family or friends, up from 79% in 2019.
- 73% would recommend the Trust as a place to work, up from 71% in 2019. This metric has risen for the fifth year in a row.

Areas where the Trust wants to do better in 2021-22 include:

- Continue to support the emotional and physical wellbeing of staff who reported higher instances of feeling stressed over the past 12 months than the year before.
- Improve the experience of BAME colleagues and ensure that there are clear opportunities for career progression.



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.7	7.6	6.7	7.9	8.9	9.9	7.5	7.5	7.5
Your org	9.3	6.3	7.2	6.5	7.4	8.4	9.7	7.1	7.3	6.9
Average	9.4	6.3	7.2	6.5	7.5	8.5	9.7	7.1	7.3	6.9
Worst	8.8	6.0	7.0	6.1	7.1	8.0	9.6	6.7	6.9	6.6
Responses	3,110	3,119	3,130	3,100	2,804	3,002	3,106	3,117	3,141	3,109

Employee health and wellbeing

The Trust has a number of schemes in place to incorporate and develop a culture of wellbeing.

Activities this year included:

- Updated health and wellbeing pocket guide sent to each member of staff.
- New health and wellbeing offer launched for teams and individuals.
- Online resources to encourage and support wellbeing discussions within teams.
- Continued promotion of the Trust's staff benefits brochure.

- Promotion of 24/7 health and wellbeing app.
- SalaryFinance to help staff with financial wellbeing.
- Retirement seminars.
- Support for women going through the menopause via the Trust's risk assessment template.
- Access to PhysioMed for staff with chronic musculoskeletal conditions.

Staff Benefits

The Trust provides a number of benefits to its staff, including:

- The 'MyTrust Benefits' website which gives national and local discounts.
- Support to parents and carers of children including information about the Trust's three nurseries. Information is made available on childcare vouchers and childcare information.
- The Trust provides regular retirement seminars to help staff plan their life after retirement ensuring that their wellbeing continues with life after work.
- Sessions are held with new starters to understand their experiences and to identify and address any issues that arise. This helps identify the key areas which need improving so that the Trust can improve recruitment and retention.
- Cycle to Work, car lease and electronics schemes are available.

Staff Communications

To strengthen staff engagement, the Trust continues to improve the way it communicates with all of its staff and promotes a good dialogue between staff and the senior team. The Trust's engagement with staff includes:

- The intranet as the Trust's main day-to-day communication tool, with real-time information published to help support staff. A dedicated COVID-19 section was created. It is regularly updated to provide staff with the latest information and is updated following staff feedback.
- A weekly COVID-19 briefing has been sent to senior managers to support them and their teams during the pandemic.
- The use of social media including Facebook, Twitter and LinkedIn to receive information and engage with the Trust.
- Many staff Facebook groups, hosted by the Trust, with over 700 actively engaged members.
- Information provided is in various formats including films and animation e.g. mass vaccination centre video.
- Weekly message is sent from the Chief Executive, linking what's going on within the Trust, locally across Sussex and the national picture.
- Fortnightly Team Talk which sets out Trust priorities and key news for managers to deliver with their teams. Managers also use this tool to raise and discuss local issues and can

provide feedback to the senior team.

- Livestream Board meetings held in public, with the option for people to submit questions at the meeting or in advance.

- Service visits by members of the Board and the executive leadership team take place regularly across the Trust, in person and, because of the pandemic, online.

- Ensured that communications can be accessed by all, continuously improving accessibility, for example, people with hearing impairments and learning disabilities.

Leadership development

The organisation offers a range of leadership opportunities for all levels of leaders including courses, coaching and mentoring. All staff have access to regular supervision and an annual personal development review (PDR). Support is also available to develop teams.

The Trust is committed to strengthening the skills of its leaders by:

- Providing leadership masterclasses. These are a combination of theory, engagement opportunities with the Chief Executive/Executive Directors and practical discussion with peers about leadership challenges.
- Promoting coaching and mentoring as a key development opportunity and developing a coaching and mentoring community within the Trust.
- Reviewing the internal leadership development offer which includes leadership development programmes for leaders at different levels and subject specific programmes e.g. supervision, HR management programmes, coaching skills, assertiveness and resilience.
- Recognising leadership potential in all staff and encouraging staff to have conversations at their PDR about their aspirations and potential.
- Offering tailored support to teams with specific needs, for example, teams where there has been significant change.

Freedom to Speak Up Guardian

Enabling staff to speak up about a concern that they have at work is vital because it helps the Trust to keep improving its service for patients, and carers, and for its colleagues and teams.

A dedicated Freedom to Speak Up Guardian works alongside leadership teams to support the Trust to promote an open and transparent place to work, where all colleagues are actively encouraged and enabled to speak up safely.

Recruitment

The Trust continued its active recruitment campaign during the year. It focused on attracting nurses, healthcare assistants and allied health professionals to join the Trust's various teams across Sussex. Photographs of staff feature in the campaign and included their experiences of working for the Trust. Regular social media posts are made on the Trust's social media platforms to promote individual jobs.

During January to March the Trust recruited over 1,500 staff and volunteers to run the COVID-19 mass vaccination sites across Sussex.

Apprenticeships

109 colleagues at the Trust are being supported to undertake an apprenticeship course to develop their skills and knowledge.

Overall staff numbers

The Trust employees 5,500 staff who work either full-time or part-time. The table below sets out the average staff numbers for 2020-21 using whole time equivalent (WTE) for a 37.5 hour working week. The total number of staff employed using WTE was 4,561, consisting of 4,470 WTE permanently employed staff and 91 WTE temporary staff.

Staff Group	2020-21 Total Number	2020-21 Permanent Number	2020-21 Other Number
Medical and Dental	84	65	19
Ambulance staff	0	0	0
Administration and Estates	989	981	8
Healthcare Assistants and other support staff	1,208	1,183	25
Nursing, Midwifery and Health Visiting staff	1,393	1,361	32
Nursing, Midwifery and Health Visiting learners	22	22	0
Scientific, Therapeutic and Technical staff	842	835	7
Healthcare Science staff	23	23	0
Social Care staff	0	0	0
Other	0	0	0
Total average numbers	**4,561**	**4,470**	**91**
Of which			
Number of employees (WTE) engaged on capital projects	**65**	**64**	**1**

Staff Costs

Staff Costs	Permanent £000s	Other £000s	Total £000s
Salaries and Wages	165,313		165,313
Social Security Costs	14,429		14,429
Apprenticeship Levy	754		754
Employer's contributions to NHS pensions	19,581		19,581
Employer's contributions to NHS pensions paid by NHSE	8,470		8,470
Pension Cost - other	54		54
Temporary Staff		6,386	6,386
Total Gross Staff Costs	**208,601**	**6,386**	**214,987**
Of which			
Costs capitalised as part of assets	**2,505**		**2,505**

Gender distribution of our staff (as 31 March 2021)

Headcount (primary assignments only)					
Category	**Total**	**Female**	**Percent (%)**	**Male**	**Percent (%)**
Executive directors	7	5	71	2	29
Other senior managers (Agenda for Change bands 7-9 and senior medical and dental staff)	1,292	1,021	79	271	21
All other employees	4,227	3,661	87	566	13
Total	**5,526**	**4,687**	**84.82**	**839**	**15.18**
Full time equivalent (FTE)					
Category	**Total**	**Female**	**Percent (%)**	**Male**	**Percent (%)**
Executive directors	7	5	71	2	29
Other senior managers (Agenda for change bands 7-9 and senior medical and dental staff)	1,088.24	838.69	77	249.55	23
All other employees	3,369.37	2,849.73	85	519.64	15
Total	**4,464.63**	**3,693.42**	**83**	**771.2**	**17**

Gender pay gap

The Trust's gender pay gap information can be found online at: https://gender-pay-gap.service.gov.uk/employer/AJxxNWrJ

Staff Sickness

For information on staff sickness please visit this website: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Use of Agency and Bank Staff

In 2020-21 the use of agency staff has increased slightly, compared with 2019-20, against a backdrop to respond to the COVID-19 pandemic and deliver the mass vaccination programme. The Trust remains committed to reducing the number of agency staff as this is better for patient care and helps to reduce costs. Recruiting and retaining a high quality and motivated workforce remains a key challenge and priority for the Trust.

The Trust seeks to minimise the use of agency staff by investing and making the best use of its in-house bank, Staff Direct. The overall use of temporary workforce (including agency, bank and locum costs) as a percentage of the total pay bill was 10%. This compares with 9% of the total pay bill in 2019-20.

Expenditure on Consultancy

The Trust spent £251k on external consultancy in 2020-21. This compares to £122k in 2019-20.

Off Payroll Engagements

As an organisation subject to HM Treasury Guidance *'Managing Public Money'*, the Trust has a responsibility in safeguarding public interest.

In May 2012, HM Treasury carried out a review on the tax arrangements of senior public sector appointees. The aim of the review was to ascertain the extent of arrangements which could allow public sector appointees to minimise their tax payments and make appropriate recommendations to address the problem.

The Trust is committed to tackling tax avoidance and demonstrates a high level of scrutiny around tax arrangements of appointees in the Trust.

The Trust operates a policy covering off payroll engagements. This policy provides guidance to ensure compliance with HM Treasury's recommendations on tax arrangements for the following public sector appointees:

- Board members.
- Senior officials with significant financial responsibility.
- Engagements of more than six months in duration, with a daily rate of over £245.

The table below relates to all off-payroll engagements at 31 March 2021, of over £245 per day and that lasts for longer than six months:

	Number
Number of existing engagements as of 31 March 2021	2
Of which the number that have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	0
For between two and three years at the time of reporting	0
For between three and four years at the time of reporting	0
For more than four years at the time of reporting	2

All existing off-payroll engagements have been subject to a risk-based assessment of whether evidence is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

The table below relates to all off-payroll appointments engaged at any point between 1 April 2020 and 31 March 2021, and earning more than £245 per day:

	Number
Number of off-payroll workers engaged between 1 April 2020 and 31 March 2021	0
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0
Number of engagement where the status was disputed under provisions in the off-payroll legislation	0
Of which: number of engagements that saw a change to IR35 status following review	0

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

	Number
Number of off-payroll engagements of board members, and/or, senior officers with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure includes both off-payroll and on-payroll engagements	13

Exit Packages

Exit packages for the year totalled £29k for 6 staff – see below:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000		4	4
£10,000 - £25,000		1	1
£25,001 - £50,000	1		1
£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total Number Exit Packages by Type	1	5	6
Total Resource Cost (£000)	2	27	29

2019-20

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000		6	6
£10,000 - £25,000			
£25,001 - £50,000	1		1
£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total Number Exit Packages by Type	1	6	7
Total Resource Cost (£000)	20	11	31

The next two tables show the number of non-compulsory departures which attracted an exit package in the year.

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	5	27
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval*		
Total	5	27
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary		

2019-20

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		

Contractual payments in lieu of notice	6	11
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval*		
Total	6	11
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary		

Joint Consultative and Negotiating Committee

The Trust is committed to working together with Staff Side (including Trade Union Representatives and volunteers including Union Stewards, Workplace Contacts and Health and Safety Representatives) and Trade Unions.

Staff Side, unions, colleagues and senior managers from the Trust attend the bi-monthly Joint Consultative and Negotiating Committee (JCNC) meetings to discuss service, staff and organisational issues.

Shortly after each meeting, three key messages from JCNC are shared with all colleagues.

Trade Union Facility Time

Below is information about trade union facility time at the Trust:

Relevant union officials

Number of employees who are relevant union officials during the relevant period	Full-time equivalent employee number
30	4,464.63

Percentage of time spent on facility time

Number of employees who are relevant union officials and how much of their working hours was spent on facility time.

Percentage of time	Number of employees
0%	12
1-50%	15
51-99%	0
100%	3

Percentage of pay bill spent on facility time

	Figures (1,000s)
Total cost of facility time	64
Total pay bill	214,987
Percentage of total pay bill spent on facility time, calculated as: (Total cost of facility time / Total pay bill) x 100	0.03%

Paid trade union activities

As a percentage of total paid facility 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 percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x100	5%

Signed:

Siobhan Melia, Chief Executive
Date: 23 June 2021

Statement of the Chief Executive's responsibilities as the Accounting Officer of Sussex Community 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 Sussex Community 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 Sussex Community 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's 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 *NHS Foundation Trust Accounting Officer Memorandum*.

Signed:

Siobhan Melia, Chief Executive
Date: 23 June 2021

Annual Governance Statement

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a robust system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, while 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 making sure 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.

In the delivery of my responsibilities and objectives, I am accountable to the Board and my performance is reviewed regularly and formally by the Chair on behalf of the Board. During 2020-21, the organisation routinely reported on financial, operational and strategic matters.

2. The purpose of the system of internal control

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

3. Capacity to handle risk

The Medical Director is the executive lead for risk management and is supported in this by the Safety and Risk Manager and the Trust Secretary. The Trust has a Trust-wide Clinical Governance Group, which reports to the Executive Committee and the Quality Improvement Committee. The Board and Audit Committee receive regular reports on the key risks facing the organisation and the Board regularly reviews the Board Assurance Framework, which contains a risk assessment against the Trust's principal objectives. The Risk Management Strategy and Policy are updated and reviewed by the Board on a regular basis. The current strategy sets out the Board's requirement that a systematic approach to identifying and managing risks and hazards is adopted across the Trust and that systems are in place to mitigate those risks where possible. The strategy also stipulates that it is essential that all Trust staff are made aware of and have an understanding of the procedures in place to identify, assess, monitor and reduce or control risk. Risk management training is included in all induction programmes and in key development courses. The Board receives risk management training.

The Trust's approach to risk management is proactive and involves the following:

- Identifying sources of potential risk and proactively assessing risk situations.
- Identifying risk issues through serious incidents, adverse incidents, near misses, complaints and claims, the business cycle, and internal and external review reports.
- Investigating and analysing the root causes of risk events.
- Undertaking aggregated root cause analysis (considering risk events, complaints, claims and RIDDOR (reporting of injuries, diseases and dangerous occurrences regulations) data.

- Taking action to eliminate or at least minimise harmful risks.
- Monitoring the delivery and effectiveness of actions taken to control risk.
- Learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the organisation and externally when this would be beneficial.

The Trust has adopted a coordinated and holistic approach to risk and does not differentiate the processes applied to clinical and non-clinical issues. Common systems for the reporting, identification, assessment, evaluation and monitoring of risks have been developed within the Trust and apply to all risk issues, regardless of type.

The Trust involves its public stakeholders in managing risk in various ways including regular contract meetings with commissioners to review performance against and risks relating to delivery of the contract, attendance at local Health Overview and Scrutiny Committee meetings and system working with other local and regional healthcare providers to shape optimum care pathways and mitigate risks associated with financial, safety and/or estates matters. This is in addition to engagement with governors, public and patients on key strategic decisions and any proposed major changes in service delivery.

4. The risk and control framework

As Accounting Officer, I have overall responsibility for risk management. Specific responsibilities are delegated to senior managers throughout the organisation. The Board oversees risks, establishes a risk appetite for high level risks on a risk by risk basis and encourages proactive identification and mitigation of risks.

The current Risk Management Strategy and Policy was ratified by the Board in January 2021. The policy describes the Trust's risk appetite and the approach to managing and tolerating risks. The effective implementation of the strategy enables the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk.

The top risks identified through the risk management process that have a significant impact on the ability of the Trust to deliver its strategic goals are documented in the Board Assurance Framework (BAF). During 2020-21 there has been a significant amount of work carried out to improve the level of assurance provided through the BAF.

Risk management is a core component of job descriptions within the Trust. A range of risk management training is provided to members of staff, on induction and throughout employment, and there are policies and procedures in place which describe roles and responsibilities in relation to the identification, management and control of risk, along with the processes of escalation and de-escalation to be followed. All relevant risk policies and procedures are available to colleagues on the Trust's intranet.

Risk identification, prioritisation, mitigation or elimination occurs through assessment and grading using a nationally recognised matrix of impact and likelihood. Incident reporting is a factor in the ongoing assessment of risk and results in the instigation of changes in practice. Complaints and other feedback from users and stakeholders are also used.

The Trust learns from good practice through a range of mechanisms including clinical supervision, continuing professional development, clinical and process audit and application of evidence-based practice. At the heart of the Trust's Risk Management Strategy and Policy is the desire to learn from events and situations in order to continuously improve quality of care.

In common with all other providers of NHS services, SCFT responded to the national declaration of a level four incident in relation to the COVID-19 pandemic on 3 March 2020. The response to this

unprecedented incident, carried out according to strict national guidance, required the suspension of some services in the public interest and the diversion of resources to support tier one services. The NHS came out of level 4 to level 3 on 19 June 2020 only to return to Level 4 on 5 November 2020 in response to the second wave. The national incident level for the NHS COVID-19 response was reduced from level 4 to level 3 on 25 March 2021.

Well-led

The Trust Board is accountable for all aspects of performance and governance of the organisation. The Board conducts its affairs in such a way as to build patient, public and stakeholder confidence that the Trust is providing high quality, sustainable care. The role of the Board is to set strategy, lead the organisation, oversee operations, and to be accountable to stakeholders in an open and effective manner.

The Trust has in place a range of policies, processes and structures which support the effective oversight of the organisation and ensures that the Board receives appropriate, robust and timely information in support of its leadership of the Trust.

Trust Strategy and Quality Improvement Plan

During 2018-19 the Trust engaged with various stakeholders including staff, patients/service users, partners and commissioners and developed its three-year Trust Strategy (2019-22). It had also taken into account key themes that have arisen from national strategies that are relevant to people who use its services, for example, the NHS Long Term Plan and NHS Five Year Forward View 2017.

The Trust will achieve its quality priorities through the monitoring and implementation of its Quality Improvement Plan, with additional annual metrics (developed in conjunction with stakeholders) which will feature in the Trust's Quality Account. A new Quality Improvement Plan is being developed, focusing upon patient experience, population health and quality improvement to support continuous improvement.

The Board has in place a number of supporting strategies which support the on-going delivery of the Trust's objectives as set out in its three-year strategy.

Internal functions and structures for monitoring and managing performance and escalation

Quality and Performance Management Frameworks

The Quality Governance Framework sets out the clinical governance structures through which quality and risk monitoring and escalation take place.

Quality governance groups translate national policy, recommendations and requirements into Trust policies, procedures and standards which are delivered across the Trust's services and functions.

The Trust-wide Governance Group (TWGG) receives reports from the quality governance groups and monitors progress on quality and risk issues, escalating items that require executive oversight to the Executive Team, and providing assurance to the Quality Improvement Committee.

Performance is managed through clinical operational and corporate functional lines which oversee the setting and delivery of key performance indicators and other measures.

In each area, Area Governance and Area Performance meetings monitor and assure quality and governance at an area level as well as identifying operational issues which may impact on quality and risk. These two meetings report to an Area Finance, Performance and Quality meeting;

chaired by an Area Director and supported by a Deputy Chief Nurse. This enables the alignment of operational and clinical governance. The Chief Operating Officer is a member of the Trust-wide Governance Group (TWGG) and Area Nurses provide another link between Area Operations and TWGG.

A monthly Executive Finance, Performance and Quality Meeting (FPQ) is chaired by an Executive Director. The Area Directors present key performance information and have the opportunity to discuss issues and problem solve with the whole Executive team.

The interface between the quality governance structures and performance management structures is maintained from service level, through the Areas and to the Executive team. This ensures that issues escalated through each are triangulated and addressed at an appropriate level or escalated as necessary.

Escalation by Exception

The Trust promotes an approach to escalation based on the assessment of all aspects of performance against a range of national, local and internal Trust targets. Some of these standards, for example Trust targets for sickness or appraisal, are applied uniformly across all of the Trusts services and functions. In addition, some targets are unique to individual services, whilst others are applied to an entire service or Area.

Other sources of information to support the identification of issues and concerns

Executive and Non-Executive service visits

Executive and Non-Executive Directors conduct a rolling programme of visits across the Trust including clinical areas. These visits enable staff and service users to provide direct feedback to Board members and discuss any patient safety or quality issues they may have. Any significant concerns are raised with the relevant service/Area manager. Governors also regularly attend service visits with a Non-Executive Director. The pandemic has resulted in a number of these visits taking place virtually rather than in person.

Raising Concerns Policy and Procedure (including Freedom to Speak Up)

This policy sets out the commitment of the Board to provide a range of processes to enable all staff to report their concerns promptly and in ways in which they are comfortable.

The policy emphasises that all staff should be confident that they can raise concerns without fear of reprisal. The policy describes where staff can get guidance and support from within the Trust and from other independent organisations.

The Trust has appointed a Freedom to Speak Up Guardian and also has a nominated Senior Independent Director (SID). The SID role is fulfilled by one of the Trust's Non-Executive Directors. They are available to all staff who feel that their concerns have not been addressed through the Raising Concerns policy, or where the individual feels that their concerns are of such a serious nature that use of the Raising Concerns procedure is not desirable.

Risks to compliance with the NHS Foundation Trust Licence condition 4 (FT governance)

At the Trust Board meeting on 27 May 2021, following a review of the report submitted with supporting evidence, the Board were satisfied that all such precautions as were necessary had been taken in order to comply with the conditions of the Trust's licence.

Data Quality and Governance

Data quality, as it relates to the performance information provided, is monitored in-house by the Data Quality team and is also subject to audit reviews.

Key performance indicators (KPIs) are reported at each Board meeting. These are managed by the Performance team who ensure oversight of all measures and data quality. Below Board level there are a number of sub-committees and Finance Performance and Quality meetings at Area and Executive level which review KPIs. At each level, data is triangulated with operational and local knowledge to assure the quality and accuracy of the data reported to the Board, as discussed in the earlier Quality and Performance Management Frameworks section.

Risks to Data Security

The Trust met all mandatory requirements in the Data Security and Protection Toolkit and received 'reasonable assurance' from its internal auditors, showing that the Trust has robust mechanisms in place to manage risks to data security. Information risk management is overseen by the Senior Information Risk Owner (SIRO) and reviewed and monitored by the Information Governance and Security Group.

Other Control Measures/Managing Conflicts of Interest in the NHS

The Trust is fully compliant with the registration requirements of the CQC.

The Trust has published an up-to-date register of interests for decision-making staff within the past twelve months.

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

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

5. Care Quality Commission (CQC)

In 2017, the CQC carried out an inspection of Trust services which concluded an overall **Good** rating with **Outstanding** features.

Individual ratings against each domain were:

- Are services safe? **Good**
- Are services effective? **Good**
- Are services caring? **Good**
- Are services responsive? **Good**
- Are services well-led? **Good**

The CQC reported that:

- The Trust was **Outstanding** in both caring in community in-patient services and responsive in community end of life care.
- An open and honest culture was reflected throughout all levels of the organisation.
- Staff at all levels were clear in their roles and responsibilities in the delivery of good quality care.
- Leaders were dedicated, experienced and staff said they were visible throughout the organisation.

- Managers and staff embraced an improvement culture and tried hard to improve the quality and sustainability of services.
- Safety had improved overall and managers closely monitored staffing issues and addressed them as required.
- Medicines management and audit had improved.

6. The Governance Framework of the Trust

Council of Governors

The Council of Governors has two general duties – to represent the views of members and the wider public and to hold the Non-Executive Directors to account for the performance of the Board. The governors' role is to enable local people, patients, members of staff and partners to meaningfully contribute to development of community services and Trust strategy. The governors are a direct link between the Trust and the people it serves.

Governors have an important role to play in making the Trust publicly accountable for the services it provides. Each category of governor – public, staff and appointed governors bring valuable perspectives and contributions to the Trust's activities and future planning. The full Council of Governors met quarterly and the annual members' meeting was held, online, in September 2020.

Trust Board

The Trust Board is accountable for all aspects of performance and governance of the organisation. The Board conducts its affairs in such a way as to build patient, public and stakeholder confidence that the Trust is providing high quality, sustainable care. The role of the Board is to set strategy, lead the organisation, oversee operations, and to be accountable to stakeholders in an open and effective manner. The Trust has in place a range of policies, processes and structures which support the effective oversight of the organisation and ensures that the Board receives appropriate, robust and timely information in support of its leadership of the Trust.

The Board consists of Non-Executive Directors who use their skills and experiences, gained from the private, public and voluntary sectors, to help run the Trust, but who do not have day-to-day management responsibilities; and Executive Directors who are paid employees with clear areas of work responsibility within the Trust.

In order to give the Board members grounding and greater understanding, Board members regularly carry out service visits, hear patient and staff stories at Board meetings and talk to colleagues and patients.

Committees of the Trust Board

To support the Board in carrying out its duties effectively, Board Committees have been formally established, each chaired by a Non-Executive Director.

Board Committees remits and terms of reference are reviewed annually by both the Committee and the Board to ensure that robust governance and assurance arrangements are in place. Each Board Committee receives regular assurance reports from committees and groups, as outlined in their terms of reference. The minutes of Board Committee meetings are circulated to the Board, supported by a verbal and written updates by the Chair of each Committee.

The **Quality Improvement Committee** scrutinises the detail of quality governance thereby providing additional assurance to the Board. It meets monthly and regularly receives reports on progress against both the Trust's Quality Improvement Plan and its Quality Account priorities. The Committee also carries out 'deep dive' reviews into particular aspects of quality that are causing concern and receives exception reports from the Trust-wide Governance Group.

The **Resources Committee** meets monthly to provide strategic oversight and assurance on the effective development and use of the Trust's financial, commercial, digital and estate resources.

The **Audit Committee** provides assurance to the Board of the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and reviewing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter-fraud and internal control across the Trust's activities, and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. It receives regular reports from the external auditors, the internal auditors and the local Counter Fraud specialists and meets with them to discuss their reports.

The **Charitable Funds Committee** acts on behalf of the Trust as the corporate trustee, in accordance with the Trust's standing orders to oversee the Trust charity's operation and to make sure the administration of charitable funds is distinct from the Trust's exchequer funds. The Committee oversees all aspects relating to charitable funds within the Trust.

The **Board of Directors Nominations and Remuneration Committee (BoD NRC)** is chaired by the Trust Chair. Committee members are all the Non-Executive Directors of the Trust. The Committee is responsible for succession planning, appointments and setting the remuneration and conditions of service of the Chief Executive and Executive Directors. It ensures these appropriately support the objectives of the Trust, represent value for money and comply with statutory requirements. The BoD NRC is not responsible for the succession planning, appointment and setting the remuneration and conditions of service of the Chair and the Non-Executive Directors, which is the remit of the Council of Governors Nomination and Remuneration Committee (CoG NRC).

In addition, the **Executive Committee** is chaired by the Chief Executive. Committee members are all the Executive Directors of the Trust. The Committee is responsible for ensuring the effective day-to-day management and operation of the Trust, and supports the Chief Executive to discharge the responsibilities delegated to them as Accounting Officer.

7. Sustainability

In support of the NHS the Long Term Plan and Sustainability Agenda, the Trust's vision is to continue to be a leading provider of outstanding low-carbon care to patients and colleagues, which incorporates the seven elements of sustainability and resource efficiency.

The Trust has carried out risk assessments and has a sustainability strategy and delivery plans are in place which also meet emergency preparedness and civil contingency requirements, to make sure the organisation meets its obligations under the Climate Change Act. The adaptation reporting requirements are complied with.

8. Workforce

An executive Workforce Committee, reporting to the Executive Committee, chaired by the Director of Human Resources and Organisational Development (HR & OD), oversees delivery of the Workforce Strategy and its action plan.

Assurance and scrutiny of workforce priorities and progress against the plan is provided through the Board, with additional oversight through the Quality Improvement Committee and Resource Committee of matters within their remits. Key Performance Indicators (KPIs) are reported to the Board through a regular Workforce Report.

Workforce planning takes place in conjunction with business planning working at service level with oversight by the Executive Directors. The development of the plan is led by the Deputy Chief

Nurses for Quality, the Director of Finance and Performance, and the Director of Human Resources and Organisational Development (HR & OD).

The plan takes into account current workforce challenges and new roles required by transformation. The Trust carries out an annual review of safer staffing needs in its intermediate care units using a proprietary tool which has been developed for a community intermediate care setting to ensure consistency in approach across the Trust. To ensure ongoing monitoring a quarterly Care Hour per Patient per Day and Safer Staffing Report is triangulated, with harm free care data, complaints and incidents. This ensures effective care is delivered and workforce safeguards are in place. This is reported to the Board and has been extended to cover children and community services.

At local level, intermediate care units monitor staffing through the Safe Care module of the e-rostering system which allows for a review of acuity and dependency, and workforce numbers and skills on a continuous basis.

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

The Board takes responsibility for oversight and risk management assurance throughout the Trust and receives the Board Assurance Framework (BAF) quarterly.

The Trust's strategic goals form the basis of the BAF. The strategic goals are linked to key risks, internal controls and assurance sources. Mitigating controls and assurances are recorded and monitored to deliver reasonable assurance for prevention of risks, deterrent to risks arising and management of current risks. The control mechanisms in place are designed to minimise or eliminate the risk of failure to deliver corporate objectives, including robust corporate and performance management frameworks, service level agreements and contract monitoring, policies and procedures.

The Board assesses the effectiveness of risk management by:

- managing and monitoring the implementation of the Risk Management Strategy and Policy;
- considering findings from internal and external audit reviews;
- holding Executive Directors to account for their risk portfolios;
- monitoring the BAF quarterly.

TIAA, who provides the Trust's internal audit function, gave in the year a "Reasonable Assurance" opinion on the BAF, concluding that it was effective.

Clinical risk and patient safety are overseen by the Trust's Quality Improvement Committee, the Chief Nurse, the Medical Director and the Chief Operating Officer. As part of the IPR the Board receives ten quality reports annually covering the quality and patient safety aspects of the Trust's operations.

The Audit Committee receives regular reports from the Local Counter Fraud Specialist which identifies specific fraud risks and investigates whether, or not, there was evidence of those being exploited. No significant risks, classes of transactions or account balances were identified.

Control measures are in place to ensure that all of the organisation's obligations under equality, diversity and human rights legislation are complied with. These include policies, the committee structure and Board assessment of compliance with, and progress against, equality and diversity best practice.

10. Information Governance (IG)

The Trust takes all information governance incidents very seriously and, regardless of severity, are analysed and where appropriate categorised as a serious incident needing further investigation. In 2020-21 the Trust reported two serious information governance incidents to the Information Commissioner's Office (ICO) using the Data Security Incident Reporting Tool. The first was reported on 15 April 2020 where a confidential waste console was reported missing from a Trust site but subsequently had confirmed to been destroyed by a contractor and was downgraded by the Trust. The second was reported on 20 August 2020 where an A4 folder containing patient information was lost by a member of staff whilst conducting community visits. In both cases the ICO closed the investigations with no further action required. The data collected during the year will be used to support training for colleagues and to inform communication published to make sure it is relevant and relatable to prevent reoccurrence of similar events.

11. Emergency Preparedness, Resilience and Response

All Trusts have a duty to prepare for emergencies, maintain plans for preventing emergencies and for reducing or controlling the effects and returning to business as usual as soon as possible.

In order to give assurance that it has addressed this duty, the Trust has developed a comprehensive management framework which addresses NHS England's Core Standards for Emergency Preparedness, Resilience and Response (EPRR). An annual report is taken to the Board of Directors to provide evidence of the annual self-assessment process covering the core standards. In 2020-21 the Trust remained fully compliant with the EPRR core standards.

On 3 March and 5 November 2020, the government declared a level four incident in relation to COVID-19. The Trust mobilised its established incident response command structure to oversee its preparedness for, and response to, the COVID-19 pandemic and to support the operational running of the Trust during both major incidents. The first level four incident was downgraded to a level three incident on 19 June 2020 and the second level four incident was downgraded to a level three incident on 25 March 2021.

The Trust adapted its corporate governance approach in response to the first major incident to maintain control over decision-making while meeting social distancing requirements and reducing the burden of routine business to enable focus on managing the response to the pandemic. On 26 March 2020 the Board temporarily suspended its standing orders and adopted COVID-19 terms of reference to govern its proceedings during the first major incident. During this period the Board met virtually every fortnight to discuss key items of business. The Quality Improvement Committee continued to meet monthly to support and scrutinise safe service delivery across all areas of the Trust's operations. The Audit Committee also continued to meet. Other Board committees met only by exception during this period where there was urgent business that could not be conducted through the Board or by email.

During the second incident the Board decided to continue with its normal cycle of business with scheduled Board and Board Committee meetings/business taking place but with streamlined agendas focused on urgent business to release management resource to focus on incident response.

12. Annual Quality Account

On an annual basis the Trust is required to publish a Quality Account on its achievement of its key priorities for quality improvement and on its performance in relation to the maintenance of essential standards for quality and safety.

Each year the Trust consults with its staff, the public and other stakeholders to align its Quality Account priorities to its risks, business objectives and national priorities. The draft Quality Account is presented to the Trust's Quality Improvement Committee, Council of Governors and Board. In addition, it is presented to CCGs, Health Overview and Scrutiny Committees, local Healthwatch and other stakeholders for comment.

During the year, a Key Lines of Enquiry (KLOE) dashboard, focusing on the five CQC domains of safe, effective, caring, responsive and well-led, was reviewed by the Trust-wide Governance Group and any exceptions escalated to the Quality Improvement Committee. This enabled a view of delivery against essential standards for quality and safety.

The Trust's policies, procedures and clinical guidelines provided a robust foundation for, and support, the delivery of high quality care. All policies, procedures and guidelines are centrally coordinated and are published on the Trust's intranet to ensure ease of access for all members of staff.

13. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Resources Committee and Quality Improvement Committee, and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

The Trust continually seeks to improve the effectiveness of its systems of internal control and puts in place action plans to meet any identified shortfalls.

My review is also informed by opinion and reports by internal audit, who work to a risk-based annual plan with topics that cover governance and risk management, service delivery and performance, financial management and control, human resources, operational and other reviews.

The Head of Internal Audit Opinion for 2020-21 was as follows: "TIAA is satisfied that, for the areas reviewed during the year, Sussex Community NHS Foundation Trust has reasonable and effective risk management, control and governance processes in place. Not having completed all of the planned work due to the global COVID-19 pandemic has not impacted on our overall assessment.

"This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or the Trust's

ability to meet financial obligations which must be obtained by Sussex Community NHS Foundation Trust from its various sources of assurance."

All reports issued by Internal Audit in the year were given "Reasonable Assurance".

Other sources of assurance include:

- Opinion and reports from the Trust's external auditors.
- Quarterly performance management reports to NHSE/I.
- Department of Health and Social Care performance requirements/indicators.
- Full compliance across all Care Quality Commission domains.
- Information governance assurance framework, including the Data Security and Protection Toolkit.
- Results of national patient and staff surveys.
- Investigation reports and action plans following serious incidents.
- Council of Governors' engagement.
- Clinical audit reports.

The Trust has proactively recognised the need for ongoing development of the robustness of its systems of control and assurance and the monitoring of its risk registers and assurance framework to ensure it identifies the changing impact and likelihood of risk and fully support the delivery of business objectives. During 2020-21, the Board Assurance Framework has been reviewed to strengthen the assurance it gives against key risks in the following strategic areas:

- Workforce resilience.
- Digital.
- Finances.
- Estates.
- System fluidity.
- Quality and patient experience.
- Impact of COVID-19 pandemic.

Conclusion

My review confirms that Sussex Community NHS Foundation Trust has a sound system of internal control. The Head of Internal Audit has assessed and given the Trust a rating of "Reasonable Assurance" overall, which supports the achievement of the goals, vision, values, policies, aims and objectives of the organisation.

The COVID-19 response has been a significant challenge, which was well responded to by colleagues across the Trust, and reflected positively on the Trust's governance.

Signed:

Siobhan Melia, Chief Executive
Date: 23 June 2021

Sussex Community NHS Foundation Trust

Annual accounts for the year ended 31 March 2021

Foreword to the accounts

Sussex Community NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Sussex Community NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed ……

Name **Siobhan Melia**
Job title **Chief Executive**
Date **28 June 2021**

Consolidated Statement of Comprehensive Income

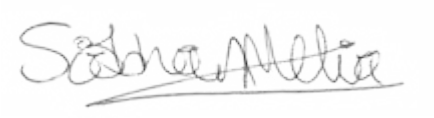
		Group	
		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	254,654	233,333
Other operating income	4	30,297	17,464
Operating expenses	6, 8	(284,474)	(250,316)
Operating surplus from continuing operations		**477**	**481**
Finance income	11	-	58
Finance expenses	12	(68)	(99)
PDC dividends payable		(469)	(1,217)
Net finance costs		**(537)**	**(1,258)**
Other gains / (losses)	13	32	4
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Deficit for the year from continuing operations		**(28)**	**(773)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Deficit for the year		**(28)**	**(773)**
Other comprehensive income / expense			
Will not be reclassified to income and expenditure:			
Impairments	7	(540)	(629)
Revaluations		-	19
Share of comprehensive income from associates and joint ventures		-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI		-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset		-	-
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		-	-
Total comprehensive expense for the period		**(568)**	**(1,383)**
Deficit for the period attributable to:			
Non-controlling interest, and		-	-
Sussex Community NHS Foundation Trust		(28)	(773)
TOTAL		**(28)**	**(773)**
Total comprehensive expense for the period attributable to:			
Non-controlling interest, and		-	-
Sussex Community NHS Foundation Trust		(568)	(1,383)
TOTAL		**(568)**	**(1,383)**

Statements of Financial Position

	Note	Group 31 March 2021 £000	Group 31 March 2020 £000	Trust 31 March 2021 £000	Trust 31 March 2020 £000
Non-current assets					
Intangible assets	14	8,532	6,459	8,532	6,459
Property, plant and equipment	15	46,493	44,648	46,493	44,648
Investment property		-	-	-	-
Investments in associates and joint ventures		-	-	-	-
Other investments / financial assets		-	-	-	-
Receivables	19	308	418	308	418
Other assets		-	-	-	-
Total non-current assets		**55,333**	**51,525**	**55,333**	**51,525**
Current assets					
Inventories	18	991	1,228	972	1,209
Receivables	19	11,038	17,310	12,366	18,473
Other investments / financial assets		-	-	-	-
Other assets		-	-	-	-
Non-current assets held for sale		-	-	-	-
Cash and cash equivalents	22	26,391	5,473	26,148	5,169
Total current assets		**38,420**	**24,011**	**39,486**	**24,851**
Current liabilities					
Trade and other payables	24	(34,836)	(20,438)	(34,392)	(20,288)
Borrowings	25	(900)	(1,436)	(900)	(1,436)
Other financial liabilities		(5)	-	(5)	-
Provisions	28	(52)	(49)	(52)	(49)
Other liabilities		-	-	-	-
Liabilities in disposal groups		-	-	-	-
Total current liabilities		**(35,793)**	**(21,923)**	**(35,349)**	**(21,773)**
Total assets less current liabilities		**57,960**	**53,613**	**59,470**	**54,603**
Non-current liabilities					
Trade and other payables		-	-	-	-
Borrowings	25	(2,705)	(3,584)	(2,704)	(3,584)
Other financial liabilities		-	-	-	-
Provisions	28	(2,213)	(959)	(2,213)	(959)
Other liabilities		-	-	-	-
Total non-current liabilities		**(4,918)**	**(4,543)**	**(4,917)**	**(4,543)**
Total assets employed		**53,042**	**49,070**	**54,553**	**50,060**
Financed by					
Public dividend capital		7,145	2,605	7,145	2,605
Revaluation reserve		12,022	12,562	12,022	12,562
Other reserves		(11,603)	(11,603)	(11,603)	(11,603)
Income and expenditure reserve		45,478	45,506	46,989	46,496
Total taxpayers' equity		**53,042**	**49,070**	**54,553**	**50,060**

Notes 1 to 37 form part of these accounts.

Name Siobhan Melia
Position Chief Executive
Date **28 June 2021**



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

Group	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**2,605**	**12,562**	**-**	**(11,603)**	**45,506**	**49,070**
deficit for the year	-	-	-	-	(28)	**(28)**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	(540)	-	-	-	**(540)**
Revaluations	-	-	-	-	-	**-**
Revaluations and impairments - charitable fund assets	-	-	-	-	-	**-**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	**-**
Public dividend capital received	4,540	-	-	-	-	**4,540**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2021	**7,145**	**12,022**	**-**	**(11,603)**	**45,478**	**53,042**

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

Group	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**1,526**	**13,172**	**-**	**(11,603)**	**46,279**	**49,374**
deficit for the year	-	-	-	-	(773)	**(773)**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	(629)	-	-	-	**(629)**
Revaluations	-	19	-	-	-	**19**
Revaluations and impairments - charitable fund assets	-	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	**-**
Public dividend capital received	1,079	-	-	-	-	**1,079**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2020	**2,605**	**12,562**	**-**	**(11,603)**	**45,506**	**49,070**

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

Trust	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**2,605**	**12,562**	**-**	**(11,603)**	**46,496**	**50,060**
Surplus for the year	-	-	-	-	493	**493**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	(540)	-	-	-	**(540)**
Revaluations	-	-	-	-	-	**-**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	**-**
Public dividend capital received	4,540	-	-	-	-	**4,540**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2021	**7,145**	**12,022**	**-**	**(11,603)**	**46,989**	**54,553**

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

Trust	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**1,526**	**13,172**	**-**	**(11,603)**	**46,279**	**49,374**
Surplus for the year	-	-	-	-	217	**217**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	(629)	-	-	-	**(629)**
Revaluations	-	19	-	-	-	**19**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	**-**
Public dividend capital received	1,079	-	-	-	-	**1,079**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2020	**2,605**	**12,562**	**-**	**(11,603)**	**46,496**	**50,060**

Information on reserves

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

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

Other reserves
This reserve represents Public Dividend Capital repaid to the Department of Health in prior years, in excess of the Public Dividend Capital held by the Trust and was in respect of fixed assets transferred to other NHS organisations

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

Statements of Cash Flows

		Group	
		2020/21	2019/20
	Note	£000	£000
Cash flows from operating activities			
Operating surplus / (deficit)		477	481
Non-cash income and expense:			
Depreciation and amortisation	6.1	5,242	4,536
Net impairments	7	568	2,079
Income recognised in respect of capital donations	4	(710)	(193)
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase) / decrease in receivables and other assets		7,135	3,747
(Increase) / decrease in inventories		237	(116)
Increase / (decrease) in payables and other liabilities		13,781	(2,361)
Increase / (decrease) in provisions		1,265	151
Movements in charitable fund working capital		-	-
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	(1)
Net cash flows from / (used in) operating activities		**27,995**	**8,323**
Cash flows from investing activities			
Interest received		-	58
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(3,267)	(1,560)
Sales of intangible assets		40	-
Purchase of PPE and investment property		(6,274)	(4,541)
Sales of PPE and investment property		-	4
Receipt of cash donations to purchase assets		600	193
Prepayment of PFI capital contributions		-	-
Net cash flows from charitable fund investing activities		-	-
Investing cash flows from discontinued operations		-	-
Cash from acquisitions / disposals of subsidiaries		-	-
Net cash flows from / (used in) investing activities		**(8,901)**	**(5,846)**
Cash flows from financing activities			
Public dividend capital received		4,540	1,079
Public dividend capital repaid		-	-
Movement on loans from DHSC		(876)	(876)
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		(533)	(707)
Capital element of PFI, LIFT and other service concession payments		-	-
Interest on loans		(53)	(65)
Other interest		-	-
Interest paid on finance lease liabilities		(25)	(33)
Interest paid on PFI, LIFT and other service concession obligations		-	-
PDC dividend (paid) / refunded		(1,229)	(1,303)
Financing cash flows of discontinued operations		-	-
Net cash flows from charitable fund financing activities		-	-
Cash flows from (used in) other financing activities		-	-
Net cash flows from / (used in) financing activities		**1,824**	**(1,905)**
Increase / (decrease) in cash and cash equivalents		**20,918**	**572**

Cash and cash equivalents at 1 April - brought forward	**5,473**	**4,901**
Cash and cash equivalents transferred under absorption accounting	-	-
Unrealised gains / (losses) on foreign exchange	-	-
Cash and cash equivalents at 31 March	**26,391**	**5,473**

Statements of Cash Flows

		Trust	
		2020/21	2019/20
	Note	£000	£000
Cash flows from operating activities			
Operating surplus / (deficit)		999	1,471
Non-cash income and expense:			
Depreciation and amortisation	6.1	5,242	4,536
Net impairments	7	568	2,079
Income recognised in respect of capital donations	4	(710)	(193)
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase) / decrease in receivables and other assets		6,165	2,584
(Increase) / decrease in inventories		237	(97)
Increase / (decrease) in payables and other liabilities		14,290	(2,511)
Increase / (decrease) in provisions		1,265	151
Movements in charitable fund working capital		-	-
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	
Other movements in operating cash flows		-	(1)
Net cash flows from / (used in) operating activities		**28,056**	**8,019**
Cash flows from investing activities			
Interest received		-	58
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(3,267)	(1,560)
Sales of intangible assets		40	-
Purchase of PPE and investment property		(6,274)	(4,541)
Sales of PPE and investment property		-	4
Receipt of cash donations to purchase assets		600	193
Prepayment of PFI capital contributions		-	
Net cash flows from charitable fund investing activities		-	
Investing cash flows from discontinued operations		-	
Cash from acquisitions / disposals of subsidiaries		-	
Net cash flows from / (used in) investing activities		**(8,901)**	**(5,846)**
Cash flows from financing activities			
Public dividend capital received		4,540	1,079
Public dividend capital repaid		-	-
Movement on loans from DHSC		(876)	(876)
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		(533)	(707)
Capital element of PFI, LIFT and other service concession payments		-	-
Interest on loans		(53)	(65)
Other interest		-	-
Interest paid on finance lease liabilities		(25)	(33)
PDC dividend (paid) / refunded		(1,229)	(1,303)
Cash flows from (used in) other financing activities		-	
Net cash flows from / (used in) financing activities		**1,824**	**(1,905)**
Increase / (decrease) in cash and cash equivalents		**20,979**	**268**
Cash and cash equivalents at 1 April - brought forward		**5,169**	**4,901**
Cash and cash equivalents at 31 March		**26,148**	**5,169**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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 financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

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

Note 1.3 Accounting convention

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

Note 1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

Note 1.4.1 Critical judgements in applying accounting policies

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

NHS Charitable Fund

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

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

Sussex Community NHS Foundation Trust has an investment portfolio which is managed on a full discretionary basis by Barclays Wealth Management, who act as the Trustee Directors' nominee. All monies received, apart from that required for working capital, should be invested to maximise the overall return consistent with the Charity's strategy, restrictions and level of risk. The Trustee Directors' overall investment objective is to achieve a balanced return from income and capital growth. The income generated from the investment portfolio is to be treated as fully expendable. The Trustee Directors have agreed the following with the nominee managers:

- to avoid investment in companies which produce tobacco or alcohol related products or who manufacture armaments;
- to invest following an agreed medium-low risk profile which has a limited potential for capital losses in exchange for higher returns than those offered by savings or bank deposit accounts;
- to value the portfolio and report on the performance of the constituent investments against relevant indices at the end of each quarter.

The value of charity investments as at 31 March 2021 is £1.6 million, as reported in the investment manager's report as at 31 March 2021.

The Trust has concluded that consolidation of the charity and preparation of group accounts is not required in 2020/21. This is because the charity is not material to the Trust or to the group. The value of the charity's investments is significantly less than one percent of the Trust's operating expenditure in 2020/21.

Sussex Primary Care Limited
Sussex Primary Care Limited is a company limited by shares, established in November 2018 for the provision of primary care GP services across Sussex. It is a wholly owned subsidiary of Sussex Community NHS Foundation Trust.

Dolphins practice in Haywards Heath and Wish Park surgery in Hove were acquired in 2019/20. In July 2020 Sussex Primary Care acquired St Lukes in Brighton and a fourth practice, Chapel Street in Newhaven was acquired in August 2020.
Total expenditure by Sussex Primary Care in 2020/21 was approximately £4.8 million and the company made a deficit in 2020/21 of £ 522 k.

The Trust has concluded that consolidation of Sussex Primary Care Limited is required in 2020/21 on the grounds that expenditure will represent a material value.

The Trust's accounts are prepared on a consolidated basis. The Trust discloses separate values for the single entity if and only if they are significantly different from the Group position. As per paragraph 5.9 of the Group Accounting Manual the Trust has exercised the option not to disclose a separate SOCI for the Trust-only position.

Note 1.4.2 Sources of estimation uncertainty
The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The most significant accounting estimate in the financial statements relates to the valuation of Property, Plant and Equipment. Valuations are carried out by an external professional valuer, the Valuation Office Agency, in accordance with RICS Valuation Professional Standards and following a Modern Equivalent Asset approach. Estimation is involved in assessing the useful lives of the assets and the inflationary increase in their value. If the valuer had applied different assumptions, this would affect the carryinng value of the assets and the associated depreciation charge, however our assessment is that this effect would be unlikely to be material.

The valuation exercise was carried out in March 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book'), the valuer has not declared a 'material valuation uncertainty' in the valuation report. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements.

Leasehold improvements are uplifted by an inflationary amount each year and are written off over the shorter of remaining life of the lease or the useful economic life of the asset. Uncertainty in deciding on the life of an asset means that it is possible to over or under-estimate its life and also the cost that needs to be written off each year to the income & expenditure account. Given the relatively small amounts involved it is our assessment that these are unlikely to have a material effect..

Note 1.5 Consolidation
The Trust does not have any associates, joint ventures or joint operations.

Note 1.6 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.

The Trust has applied the practical expedients allowed by the standard as follows. (1) As per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less. (2) The GAM does not require the Trust to disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date. (3) The GAM has mandated the exercise of the practical expedient offered in C7A of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue from NHS contracts

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

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 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.

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.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)
The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Note 1.7 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 grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

Note 1.8 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 - NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The 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 and when they become due.

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

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

NEST Pension Scheme
For those staff not entitled to join the NHS Pension scheme, the Trust uses an alternative pension scheme operated by National Employment Savings Trust (NEST) to fulfil its automatic enrolment obligations to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. NEST is a defined contribution pension scheme established by law. Contributions are taken from qualifying earnings, which are currently from £6,136 up to £50,000 but will be reviewed each year by the Government. The initial employee contribution is 3% of qualifying earnings with an employer contribution of 5%. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

Note 1.9 Expenditure on other goods and services

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

Note 1.10 Discontinued operations
Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are ‘machinery of government changes’ and treated as continuing operations. The Trust has no discontinued operations in 2020/21.

Note 1.11 Property, plant and equipment

Note 1.11.1 Recognition
Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Note 1.11.2 Measurement

Valuation

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

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

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. The Trust has taken a current site optimised valuation approach for the Brighton General site, rather than the alternative site basis.

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

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

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 expenditure.

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

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

Impairments

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

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

Note 1.11.3 De-recognition

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.
Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.11.4 Donated and grant funded assets

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

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

Note 1.11.5 Useful lives of property, plant and equipment

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

	Min life Years	**Max life Years**
Land	80	80
Buildings, excluding dwellings	8	81
Dwellings	-	-
Plant & machinery	4	25
Transport equipment	7	7
Information technology	5	10
Furniture & fittings	8	11

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

Note 1.12 Intangible assets

Note 1.12.1 Recognition

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

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.
Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

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

Note 1.12.2 Measurement

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

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

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

Amortisation

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

Note 1.12.3 Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are

	Min life Years	**Max life Years**
Information technology	5	12
Software licences	5	7
Licences & trademarks	5	5

Note 1.13 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 (FIFO) 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.

Note 1.14 Cash and cash equivalents

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

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

Note 1.15 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, i.e., when receipt or delivery of the goods or services is made.

Classification and measurement

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

Financial assets and financial liabilities at amortised cost

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets the Trust recognises an allowance for expected credit losses.

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

Expected credit losses on receivables are assessed by reviewing outstanding debtors for objective evidence of impairment. The Trust applies the practical expedient set out in IFRS9 and calculates a provision based on the length of time a receivable had been outstanding. The following percentages are provided.

- Between 3 and 6 months 25 %
- Between 6 months and 1 year 50%
- Over 1 year 100%

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 and Exchequer funds where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities) and the Trust 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.

Derecognition

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

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

Note 1.16 Leases

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

Note 1.16.1 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.

Note 1.16.2 The trust as a lessor

Finance leases

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

Operating leases

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

Note 1.17 Provisions

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

		Nominal rate
Short-term	Up to 5 years	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.

Note 1.18 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 29 but is not recognised in the Trust’s accounts.

Note 1.19 Non-clinical risk pooling

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

Note 1.20 Contingencies

The Trust does not recognise contingent assets

Contingent liabilities are not recognised, but are disclosed in note 30, unless the probability of a transfer of economic benefits is remote.

A contingent liability is defined as a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity’s control; or present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.21 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.

Note 1.22 Value added tax

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

Note 1.23 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.24 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.25 Losses and special payments

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

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

Note 1.26 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. The Trust has a policy of not giving gifts.

Note 1.27 Early adoption of standards, amendments and interpretations

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

Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

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

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

The Trust does expect the impact of IFRS16 will materially increase the value of its non current assets and depreciation from 2022/23, however our expectation is also that it should not materially affect the Trust's income and expenditure position.

Note 2 Operating Segments

Consistent with previous years, we have determined that the Trust operates a single reportable segment, being the provision of healthcare. Similar methods are used to provide services across all locations and all policies, procedures and governance arrangements are trust-wide. As an NHS Foundation Trust all our services are subject to the same regulatory environment and standards set by our external performance managers.

Accordingly the Trust operates as one segment and reports in this format to the chief operating decision maker, which is the Trust Board. No discrete activities of the business have individual revenue exceeding 10% of the total combined revenue, profit or assets.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.6

Note 3.1 Income from patient care activities (by nature)	2020/21 £000	2019/20 £000
Acute services		
Block contract / system envelope income*	8,764	6,957
High cost drugs income from commissioners (excluding pass-through costs)	2,361	2,361
Other NHS clinical income	-	-
Mental health services		
Block contract / system envelope income*	10,872	9,162
Clinical partnerships providing mandatory services (including S75 agreements)	-	-
Clinical income for the secondary commissioning of mandatory services	-	-
Other clinical income from mandatory services	-	-
Community services		
Block contract / system envelope income*	196,181	174,562
Income from other sources (e.g. local authorities)	21,619	23,974
All services		
Private patient income	483	493
Additional pension contribution central funding**	8,470	7,840
Other clinical income	5,904	7,984
Total income from activities	**254,654**	**233,333**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21 £000	2019/20 £000
NHS England	23,174	20,397
Clinical commissioning groups	203,696	182,188
Department of Health and Social Care	-	18
Other NHS providers	2,356	2,729
NHS other	-	-
Local authorities	19,263	19,462
Non-NHS: private patients	483	493
Non-NHS: overseas patients (chargeable to patient)	-	48
Injury cost recovery scheme	368	565
Non NHS: other	5,314	7,433
Total income from activities	**254,654**	**233,333**
Of which:		
Related to continuing operations	254,654	233,333
Related to discontinued operations	-	

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	£000
Income recognised this year	-	48
Cash payments received in-year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-

Note 4 Other operating income (Group)

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	372	-	**372**	304	-	**304**
Education and training	2,421	441	**2,862**	2,508	286	**2,794**
Non-patient care services to other bodies	2,125		**2,125**	8,305		**8,305**
Provider sustainability fund (2019/20 only)			**-**	2,881		**2,881**
Financial recovery fund (2019/20 only)			**-**	-		**-**
Marginal rate emergency tariff funding (2019/20 only)			**-**	-		**-**
Reimbursement and top up funding	18,268		**18,268**			**-**
Income in respect of employee benefits accounted on a gross basis	996		**996**	936		**936**
Receipt of capital grants and donations		710	**710**		193	**193**
Charitable and other contributions to expenditure		3,343	**3,343**		-	**-**
Support from the Department of Health and Social Care for mergers		-	**-**		-	**-**
Rental revenue from finance leases		-	**-**		-	**-**
Rental revenue from operating leases		386	**386**		362	**362**
Other income	1,235	-	**1,235**	1,689	-	**1,689**
Total other operating income	**25,417**	**4,880**	**30,297**	**16,623**	**841**	**17,464**
Of which:						
Related to continuing operations			30,297			17,464
Related to discontinued operations			-			-

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

The Trust has no additional information to disclose on contract revenue recognised in the period. The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.2 Transaction price allocated to remaining performance obligations

The Trust has exercised the practical expedients permitted by IFRS 15 and has no revenue to disclose in respect of remaining performance obligations.

Note 5.3 Income from activities arising from commissioner requested services

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

	2020/21	2019/20
	£000	£000
Income from services designated as commissioner requested services	68,844	66,290
Income from services not designated as commissioner requested services	185,810	167,043
Total	**254,654**	**233,333**

Note 5.4 Profits and losses on disposal of property, plant and equipment

There were no material disposals of property, plant and equipment in 2020/21

Note 5.5 Fees and charges (Group)

In 2020/21 there were no fees and charges in excess of £ 1 million

Note 6.1 Operating expenses (Group)

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,503	5,177
Purchase of healthcare from non-NHS and non-DHSC bodies	6,532	5,020
Purchase of social care	-	-
Staff and executive directors costs	205,696	185,318
Remuneration of non-executive directors	115	112
Supplies and services - clinical (excluding drugs costs)	20,002	15,539
Supplies and services - general	2,452	2,032
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	2,989	3,278
Inventories written down	-	-
Consultancy costs	248	122
Establishment	2,821	2,258
Premises	13,168	6,040
Transport (including patient travel)	2,786	3,738
Depreciation on property, plant and equipment	4,048	3,696
Amortisation on intangible assets	1,194	840
Net impairments	568	2,079
Movement in credit loss allowance: contract receivables / contract assets	680	366
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	-	(10)
Change in provisions discount rate(s)	53	131
Audit fees payable to the external auditor		
audit services- statutory audit	84	57 *
other auditor remuneration (external auditor only)	-	-
Internal audit costs	143	147
Clinical negligence	795	582
Legal fees	389	191
Insurance	250	229
Research and development	397	356
Education and training	1,013	783
Rentals under operating leases	11,162	10,211
Early retirements	-	-
Redundancy	2	20
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	750	138
Hospitality	8	18
Losses, ex gratia & special payments	18	8
Grossing up consortium arrangements	-	-
Other services, eg external payroll	1,278	1,201
Other NHS charitable fund resources expended	-	-
Other	330	639
Total	**284,474**	**250,259**
Of which:		
Related to continuing operations	284,474	250,316
Related to discontinued operations	-	-

* includes the fee of £ 14 K payable to Cardens for the statutory audit of Sussex Primary Care Ltd

Note 6.2 Other auditor remuneration (Group)

	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**-**

Note 6.3 Limitation on auditor's liability (Group)

The limitation on liability for the auditor's external audit work is £2 million.

Note 7 Impairment of assets (Group)

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	568	452
Impairments of charitable fund assets	-	-
Other	-	1,627
Total net impairments charged to operating surplus / deficit	**568**	**2,079**
Impairments charged to the revaluation reserve	540	629
Total net impairments	**1,108**	**2,708**

The Trust carries out an annual impairment review of the carrying value of its PPE and intangible assets. No significant impairments were identified from this review

Note 8 Employee benefits (Group)

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	158,926	142,375
Social security costs	14,429	13,182
Apprenticeship levy	754	688
Employer's contributions to NHS pensions	28,051	25,899
Pension cost - other	54	46
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	6,467	5,510
NHS charitable funds staff	-	-
Total gross staff costs	**208,681**	**187,700**
Recoveries in respect of seconded staff	-	-
Total staff costs	**208,681**	**187,700**
Of which		
Costs capitalised as part of assets	2,586	2,006

Note 8.1 Retirements due to ill-health (Group)

During 2020/21 there was 1early retirement from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements are £22k (£162k in 2019/20).

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

Note 9 Pension costs

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

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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 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 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.

Pension Costs - NEST Pension Scheme

The Pensions Act 2008 and 2011 automatic enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement.

The auto-enrolment 'staging' date for Sussex Community NHS FT compliance was 1 September 2013. For those staff not entitled to join the NHS Pension Scheme the Trust utilised an alternative pension scheme called NEST to fulfil its automatic enrolment obligations.

NEST stands for National Employment Savings Trust and is a defined contribution pension scheme established by law to support the introduction of auto-enrolment.

Contributions are taken from qualifying earnings, which are currently from £6,032 up to £46,350 but will be reviewed every year by the Government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This increases in stages to meet levels set by the government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
6 April 2018	3%	2%	5%
6 April 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Trust they can continue to pay into NEST.

NEST Pension members can take their money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take their money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arms length from government and is accountable to Parliament through the Department for Work and Pensions.

Note 10 Operating leases (Group)

Note 10.1 Sussex Community NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Sussex Community NHS Foundation Trust The Trust rents land and buildings to other healthcare providers. The rentals reflect the market value for the relevant properties and the lease agreements do not include any provision allowing the lessee the right to exercise an option to purchase the asset at the end of the lease period.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	386	362
Contingent rent	-	-
Other	-	-
Total	**386**	**362**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	386	362
- later than one year and not later than five years;	318	318
- later than five years.	716	795
Total	**1,420**	**1,475**

Note 10.2 Sussex Community NHS Foundation Trust as a lessee

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

The Trust leases land and buildings used in the delivery of services. The rentals reflect the market value for the relevant properties and the lease agreements do not include any provision allowing the Trust to exercise an option to purchase the asset at the end of the lease period.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	11,162	10,211
Contingent rents	-	-
Less sublease payments received	-	-
Total	**11,162**	**10,211**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	11,162	10,026
- later than one year and not later than five years;	2,069	1,180
- later than five years.	2,001	1,327
Total	**15,232**	**12,533**
Future minimum sublease payments to be received	-	-

Note 11 Finance income (Group)

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	-	58
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
NHS charitable fund investment income	-	-
Other finance income	-	-
Total finance income	**-**	**58**

Note 12.1 Finance expenditure (Group)

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	52	64
Other loans	-	-
Overdrafts	-	-
Finance leases	24	33
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	-	-
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	**76**	**97**
Unwinding of discount on provisions	(8)	2
Other finance costs	-	-
Total finance costs	**68**	**99**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2020/21	2019/20
	£000	£000
Total liability accruing in year under this legislation as a result of late payment	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains (Group)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	32	4
Losses on disposal of assets	-	-
Total gains on disposal of assets	**32**	**4**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
properties	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	-	-
Total other gains	**32**	**4**

Note 14.1 Intangible assets - 2020/21

Group	Software licences £000	Licences & trademarks £000	Internally generated information technology £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	**1,487**	**22**	**7,125**	**2**	**-**	**8,636**
Transfers by absorption	-	-	-	-	-	**-**
Additions	718	-	1,859	690	-	**3,267**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	2	-	-	(2)	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2021	**2,207**	**22**	**8,984**	**690**	**-**	**11,903**
Amortisation at 1 April 2020 - brought forward	**1,039**	**8**	**1,130**	**-**	**-**	**2,177**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	122	4	1,068	-	-	**1,194**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Amortisation at 31 March 2021	**1,161**	**12**	**2,198**	**-**	**-**	**3,371**
Net book value at 31 March 2021	**1,046**	**10**	**6,786**	**690**	**-**	**8,532**
Net book value at 1 April 2020	**448**	**14**	**5,995**	**2**	**-**	**6,459**

Note 14.2 Intangible assets - 2019/20

Group	Software licences	Licences & trademarks	Internally generated information technology	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**1,274**	**22**	**8,051**	**-**	**-**	**9,347**
Transfers by absorption	-	-	-	-	-	**-**
Additions	213	-	1,345	2	-	**1,560**
Impairments	-	-	(2,271)	-	-	**(2,271)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2020	**1,487**	**22**	**7,125**	**2**	**-**	**8,636**
Amortisation at 1 April 2019 - as previously stated	**933**	**4**	**1,346**	**-**	**-**	**2,283**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	106	4	730	-	-	**840**
Impairments	-	-	(946)	-	-	**(946)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Amortisation at 31 March 2020	**1,039**	**8**	**1,130**	**-**	**-**	**2,177**
Net book value at 31 March 2020	**448**	**14**	**5,995**	**2**	**-**	**6,459**
Net book value at 1 April 2019	**341**	**18**	**6,705**	**-**	**-**	**7,064**

Note 15.1 Property, plant and equipment - 2020/21

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**7,290**	**25,276**	**2,072**	**5,212**	**501**	**13,533**	**909**	**54,793**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	2,498	354	1,170	-	2,961	18	**7,001**
Impairments	-	(1,457)	-	-	-	-	-	**(1,457)**
Reversals of impairments	-	349	-	-	-	-	-	**349**
Revaluations	-	(1,600)	-	-	-	-	-	**(1,600)**
Reclassifications	-	842	(866)	6	-	-	18	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(71)	(93)	-	-	**(164)**
Valuation/gross cost at 31 March 2021	**7,290**	**25,908**	**1,560**	**6,317**	**408**	**16,494**	**945**	**58,922**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**3,351**	**471**	**5,830**	**493**	**10,145**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	1,600	-	467	13	1,877	91	**4,048**
Impairments	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	(1,600)	-	-	-	-	-	**(1,600)**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(71)	(93)	-	-	**(164)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**3,747**	**391**	**7,707**	**584**	**12,429**
Net book value at 31 March 2021	**7,290**	**25,908**	**1,560**	**2,570**	**17**	**8,787**	**361**	**46,493**
Net book value at 1 April 2020	**7,290**	**25,276**	**2,072**	**1,861**	**30**	**7,703**	**416**	**44,648**

Note 15.2 Property, plant and equipment - 2019/20

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**7,315**	**26,636**	**865**	**5,231**	**527**	**13,360**	**925**	**54,859**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	1,248	1,263	389	-	2,311	-	**5,211**
Impairments	(25)	(2,484)	-	-	-	(1,915)	-	**(4,424)**
Reversals of impairments	-	16	-	-	-	-	-	**16**
Revaluations	-	(196)	-	-	-	-	-	**(196)**
Reclassifications	-	56	(56)	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(408)	(26)	(223)	(16)	**(673)**
Valuation/gross cost at 31 March 2020	**7,290**	**25,276**	**2,072**	**5,212**	**501**	**13,533**	**909**	**54,793**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**12**	**-**	**3,268**	**468**	**6,196**	**418**	**10,362**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	1,615	-	491	29	1,470	91	**3,696**
Impairments	-	(1,412)	-	-	-	(1,613)	-	**(3,025)**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	(215)	-	-	-	-	-	**(215)**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(408)	(26)	(223)	(16)	**(673)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**3,351**	**471**	**5,830**	**493**	**10,145**
Net book value at 31 March 2020	**7,290**	**25,276**	**2,072**	**1,861**	**30**	**7,703**	**416**	**44,648**
Net book value at 1 April 2019	**7,315**	**26,624**	**865**	**1,963**	**59**	**7,164**	**507**	**44,497**

Note 15.3 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021										
Owned - purchased	7,290	21,735	-	1,560	1,831	2	6,695	355	-	**39,468**
Finance leased	-	425	-	-	-	-	1,998	-	-	**2,423**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	3,748	-	-	739	15	94	6	-	**4,602**
NBV total at 31 March 2021	**7,290**	**25,908**	**-**	**1,560**	**2,570**	**17**	**8,787**	**361**	**-**	**46,493**

Note 15.4 Property, plant and equipment financing - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020										
Owned - purchased	7,290	21,465	-	2,072	1,093	12	5,340	408	-	**37,680**
Finance leased	-	434	-	-	-	-	2,356	-	-	**2,790**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	3,377	-	-	768	18	7	8	-	**4,178**
NBV total at 31 March 2020	**7,290**	**25,276**	**-**	**2,072**	**1,861**	**30**	**7,703**	**416**	**-**	**44,648**

Note 16.1 Donations of property, plant and equipment

In the year ended 31 March 2021 the Trust has received donations in respect of assets capitalised in full during the year . The elements of this are a £92k DEXA Machine (plus £99k enabling works), £35k Physio changing room refurbishment, and £30k Rheumatology department upgrade, all donated by Bognor War Memorial League of Friends. The Trust received laptops from the Ministry of Defence with a value of £110k . The Trust also received £ 368k from the League of Friends at Lewes as a contribution to the Lewes Urgent Treatment Centre.

	£000s
Plant and machinery	92
IT	110
Buildings	508
Total	710

Note 16.2 Revaluations of property, plant and equipment

The Valuation Office Agency revalued the Trust's estate as at 31 March 2021. As with the previous year, the Trust adopted a Modern Equivalent Asset approach to its estate, while applying an optimised asset approach to the Brighton General Hospital site. The net effect is that building values have reduced by £ 1,108 K. The reduction is caused by changes in market conditions.

In 2020/21 there have been no significant changes in valuation approach, in asset lives, in residual lives or in the approach to the calculation of depreciation. Asset lives are set out in our accounting policy 1.11

Note 16.3 Investment Property

The Trust does not have any investment property

Note 17 Disclosure of interests in other entities

The Trust has two subsidiaries, Sussex Primary Care Limited and the Trust's charitable funds. Both organisations produce their own financial statements.

The Trust's charitable funds are not consolidated in these financial statements because they are not material. Further details are in note 1.4 Critical judgements. Details of transactions between the Trust and its charity are in note 39 Related Party Transactions.

Sussex Primary Care Limited (SPC) is a company limited by shares, and is 100 per cent owned by Sussex Community NHS Foundation Trust. SPC is consolidated for the first time in the Trust's 2020/21 financial statements. SPC made a planned deficit of £ 522 K in 2020/21, which is reflected in the Group financial statements.

Note 18 Inventories

	Group	
	31 March 2021	**31 March 2020**
	£000	**£000**
Drugs	76	56
Work In progress	50	73
Consumables	387	466
Energy	-	-
Other	478	633
Total inventories	**991**	**1,228**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £3,600k (2019/20: £0k). Write-down of inventories recognised as expenses for the year were £0k (2019/20: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £3,343k of items purchased by DHSC.

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

Note 19 Receivables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Contract receivables	9,171	16,609	10,685	17,864
Contract assets	-	-		
Capital receivables	-	7		7
Allowance for impaired contract receivables / assets	(1,598)	(907)	(1,598)	(907)
Allowance for other impaired receivables	-	-		
Deposits and advances	-	-		
Prepayments (non-PFI)	2,142	1,351	2,040	1,259
Interest receivable	-	-		
Finance lease receivables	-	-		
PDC dividend receivable	803	43	803	43
VAT receivable	437	207	437	207
Corporation and other taxes receivable	-	-		
Other receivables	83	-		
Total current receivables	**11,038**	**17,310**	**12,367**	**18,473**
Non-current				
Contract receivables	214	414	214	414
Contract assets	-	-		
Capital receivables	-	-		
Allowance for impaired contract receivables / assets	-	-		
Allowance for other impaired receivables	-	(90)		(90)
Deposits and advances	-	-		
Prepayments (non-PFI)	-	-		
Interest receivable	-	-		
Finance lease receivables	-	-		
VAT receivable	-	-		
Corporation and other taxes receivable	-	-		
Other receivables	94	94	94	94
Total non-current receivables	**308**	**418**	**308**	**418**
Of which receivable from NHS and DHSC group bodies:				
Current	6,111	8,397	3,495	8,397
Non-current	94	94		94

Note 20.1 Allowances for credit losses - 2020/21

	Group	
	Contract receivables and contract assets	**All other receivables**
	£000	**£000**
Allowances as at 1 Apr 2020 - brought forward	**997**	**-**
Transfers by absorption	-	-
New allowances arising	680	-
Changes in existing allowances	-	-
Reversals of allowances	-	-
Utilisation of allowances (write offs)	(79)	-
Changes arising following modification of contractual cash flows	-	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2021	**1,598**	**-**

Note 20.2 Allowances for credit losses - 2019/20

	Group	
	Contract receivables and contract assets	**All other receivables**
	£000	**£000**
Allowances as at 1 Apr 2019 - as previously stated	**631**	**-**
Transfers by absorption	-	-
New allowances arising	366	-
Changes in existing allowances	-	-
Reversals of allowances	-	-
Utilisation of allowances (write offs)	-	-
Changes arising following modification of contractual cash flows	-	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2020	**997**	**-**

Note 21.1 Exposure to credit risk

Ageing of allowance for credit losses	31 Mar 2021 receivables £000	31 Mar 2020 receivables £000
0 - 30 days	2	-
31-60 Days	3	-
61-90 days	-	-
Over 90 days	1,593	997
Total	**1,598**	**997**

Ageing of non-impaired trade receivables		
0 - 30 days	2,867	3,046
31-60 Days	833	711
61-90 days	74	509
Over 90 days	1,420	3,192
Total	**5,194**	**7,458**

Note 22 Cash and cash equivalents movements

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

	Group	
	2020/21	**2019/20**
	£000	**£000**
At 1 April	**5,473**	**4,901**
Transfers by absorption	-	-
Net change in year	20,918	572
At 31 March	**26,391**	**5,473**
Broken down into:		
Cash at commercial banks and in hand	13	14
Cash with the Government Banking Service	26,378	5,459
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**26,391**	**5,473**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**26,391**	**5,473**

Note 23 Third party assets held by the trust

The Trust does not hold any third party assets

Note 24.1 Trade and other payables

	Group	
	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	11,274	12,042
Capital payables	2,084	1,467
Accruals	12,266	3,335
Receipts in advance and payments on account	4,455	-
Social security costs	2,317	3,303
VAT payables	-	-
Other taxes payable	1,619	-
PDC dividend payable	-	-
Other payables	821	291
Total current trade and other payables	**34,836**	**20,438**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	7,488	7,497
Non-current	-	-

Note 24.2 Early retirements in NHS payables above

The payables note above does not include amounts in relation to early retirements

Note 25 Borrowings

	Group	
	31 March 2021	31 March 2020
	£000	£000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	876	882
Other loans	-	-
Obligations under finance leases	24	554
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	-	-
NHS charitable funds: other current borrowings	-	-
Total current borrowings	**900**	**1,436**
Non-current		
Loans from DHSC	2,228	3,104
Other loans	-	-
Obligations under finance leases	477	480
Obligations under PFI, LIFT or other service concession contracts	-	-
NHS charitable funds: other current borrowings	-	-
Total non-current borrowings	**2,705**	**3,584**

Note 26 Reconciliation of liabilities arising from financing activities (Group)

Group - 2020/21	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2020	**3,986**	**-**	**1,034**	**-**	**5,020**
Cash movements:					
Financing cash flows - payments and receipts of principal	(876)	-	(533)	-	**(1,409)**
Financing cash flows - payments of interest	(53)	-	-	-	**(53)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	47	-	-	-	**47**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2021	**3,104**	**-**	**501**	**-**	**3,605**

Group - 2019/20	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	**4,863**	**-**	**1,743**	**-**	**6,606**
Cash movements:					
Financing cash flows - payments and receipts of principal	(876)	-	(707)	-	**(1,583)**
Financing cash flows - payments of interest	(65)	-	(33)	-	**(98)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	64	-	33	-	**97**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	(2)	-	**(2)**
Carrying value at 31 March 2020	**3,986**	**-**	**1,034**	**-**	**5,020**

Note27 Finance leases

Note 27.1 Sussex Community FT as a lessor

There were no finance leases where the Trust was the lessor

Note 27.2 Sussex Community FT as a lessee

Obligations under finance leases where the trust is the lessee.

	Group	
	31 March 2021	**31 March 2020**
	£000	**£000**
Gross lease liabilities	**1,152**	**1,710**
of which liabilities are due:		
- not later than one year;	46	579
- later than one year and not later than five years;	125	100
- later than five years.	981	1,031
Finance charges allocated to future periods	(651)	(676)
Net lease liabilities	**501**	**1,034**
of which payable:		
- not later than one year;	24	554
- later than one year and not later than five years;	19	10
- later than five years.	458	470
Total of future minimum sublease payments to be received at the reporting date	-	-
Contingent rent recognised as expense in the period	-	-

The Trust has a finance lease in connection with the building that it occupies in Conway Court Brighton. The lease commenced in 1967 and is for a 99 year period. There are no options for the Trust to purchase the building (or land which is leased under the terms of an operating lease) at the end of the lease period.

The Trust has a finance lease in connection with the implementation of a unified communications service known as VOiP. The lease was for a period of 5 years from 1 January 2016 with the option of a 2 year extension, which the Trust did not take up. The lease also had the option to purchase the equipment for a consideration equal to half a per cent (0.5%) of the cost of assets as at the commencement of the managed lease agreement (contract price), which is showing as the current balance in the accounts.

Note 28.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**212**	**694**	**8**	**94**	**1,008**
Transfers by absorption	-	-	-	-	**-**
Change in the discount rate	3	50	-	-	**53**
Arising during the year	-	-	15	1,299	**1,314**
Utilised during the year	(14)	(24)	(7)	-	**(45)**
Reclassified to liabilities held in disposal groups	-	-	-	-	**-**
Reversed unused	(55)	-	(2)	-	**(57)**
Unwinding of discount	(2)	(6)	-	-	**(8)**
Movement in charitable fund provisions	-	-	-	-	**-**
At 31 March 2021	**144**	**714**	**14**	**1,393**	**2,265**
Expected timing of cash flows:					
- not later than one year;	14	24	14	-	**52**
- later than one year and not later than five years;	56	96	-	1,299	**1,451**
- later than five years.	74	594	-	94	**762**
Total	**144**	**714**	**14**	**1,393**	**2,265**

Note 29 Clinical negligence liabilities

At 31 March 2021, £594k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Sussex Community NHS Foundation Trust (31 March 2020: £583k).

Note 30 Contingent assets and liabilities

	Group	
	31 March 2021	**31 March 2020**
	£000	**£000**
Value of contingent liabilities		
NHS Resolution legal claims	-	-
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	8,733
Gross value of contingent liabilities	**-**	**8,733**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**-**	**8,733**
Net value of contingent assets	**-**	**-**

In 2019/20 the Trust disclosed a contingent liability in respect of disputes with NHS Property Services

Since then the Trust has reached a full and final settlement with NHS Property Services through a facilitated process. The Trust has paid in full all agreed amounts in respect of 2019/20 and previous years and NHS Property Services has issued credit notes in respect of the balance.

There are no significant outstanding amounts at the year end and therefore a contingent liability is not required.

Note 31 Contractual capital commitments

	Group	
	31 March 2021	**31 March 2020**
	£000	**£000**
Property, plant and equipment	786	-
Intangible assets	1,879	-
Total	**2,665**	**-**

Note 32 Other financial commitments

The Trust has no significant commitments to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement):

Note 33 Financial instruments

Note 33.1 Financial risk management

Financial reporting standard IFRS7 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 SCFT has with CCGs and the way CCGs are financed, the Trust is not exposed to the degree of financial risks faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Standing Financial Instructions and policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by the internal auditors.

Currency risk

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

Market risk

SCFT borrows from government for capital expenditure subject to affordability as confirmed by NHS Improvement. Borrowings are for 1 - 25 years in line with the asset lives of associated assets, and interest is charged at the national loans fund rate, fixed for the life of the loan. SCFT therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies and therefore the Trust has low exposure to credit risk. The maximum exposure relates to the amounts in trade and other receivables as at 31 March 2021. Each month as part of the month end review process all trade and other receivables are reviewed and a provision is made if the debt has a reasonable level of doubt in relation to settlement.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCGs, NHS England and local authorities, which are financed from resources voted annually by Parliament. The Trust is not therefore exposed to significant liquidity risk.

Note 33.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	7,224	-	-	**7,224**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	26,391	-	-	**26,391**
Total at 31 March 2021	**33,615**	**-**	**-**	**33,615**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	17,288	-	-	**17,288**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	5,473	-	-	**5,473**
Total at 31 March 2020	**22,761**	**-**	**-**	**22,761**

Note 33.3 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	3,104	-	**3,104**
Obligations under finance leases	501	-	**501**
Obligations under PFI, LIFT and other service concessions	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	26,445	-	**26,445**
Other financial liabilities	5	-	**5**
Provisions under contract	1,299	-	**1,299**
Total at 31 March 2021	**31,354**	**-**	**31,354**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	3,986	-	**3,986**
Obligations under finance leases	1,034	-	**1,034**
Obligations under PFI, LIFT and other service concessions	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	16,972	-	**16,972**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2020	**21,992**	**-**	**21,992**

Note 33.4 Fair values of financial assets and liabilities

Due to the relatively straightforward nature of the Trust's assets and liabilities, carrying value is deemed to be a reasonable proxy for fair value

Note 33.5 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group	
	31 March 2021	31 March 2020 restated*
	£000	£000
In one year or less	27,373	18,434
In more than one year but not more than five years	3,653	3,205
In more than five years	981	1,031
Total	**32,007**	**22,670**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 34 Losses and special payments

	2020/21		2019/20	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	31	4	-	-
Fruitless payments and constructive losses	-	-	3	1
Bad debts and claims abandoned	50	16	57	24
Stores losses and damage to property	-	-	-	-
Total losses	**81**	**20**	**60**	**25**
Special payments				
Compensation under court order or legally binding arbitration award	4	7	4	19
Extra-contractual payments	-	-	-	-
Ex-gratia payments	9	2	9	34
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**13**	**9**	**13**	**53**
Total losses and special payments	**94**	**29**	**73**	**78**
Compensation payments received		-		-

Note 35 Gifts

The Trust has a policy that it does not make gifts

Note 36 Related parties

During the year none of the Department of Health Ministers, Sussex Community NHS Foundation Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Sussex Community NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year Sussex Community NHS Foundation Trust has had a number of significant transactions with the Department, and with other entities for which the Department is regarded as the parent. The major entities are listed below.

- NHS West Sussex CCG
- NHS Brighton and Hove CCG
- NHS East Sussex CCG
- NHS England Group
- NHS Property Services
- Brighton and Sussex University Hospitals NHS Trust
- Health Education England
- Surrey and Sussex Healthcare NHS Trust
- Western Sussex Hospitals NHS Foundation Trust
- East Sussex Healthcare NHS Trust
- Sussex Partnership NHS Foundation Trust
- NHS Surrey Heartlands CCG
- NHS Kent and Medway CCG
- NHS Resolution

The Trust has had a number of material transactions with other government departments and other central and local government bodies. The largest of these are with Brighton and Hove City Council and West Sussex County Council in respect of services provided under contract.

In November 2018 the Trust established a subsidiary company, Sussex Primary Care Limited. During the year the Trust provided various back office and support services to Sussex Primary Care, for which it has recharged a fee of £ 100k. Also during the year the Trust made various creditor and other payments on behalf of Sussex Primary Care, which are then recharged to Sussex Primary Care. As a result at the 31 March 2021 Sussex Primary Care owed £1,818 K to the Trust. SPC is consolidated in these accounts and the intercompany transactions have been eliminated.

The Trust Board is also the Trustee of the Sussex Community NHS FT Charitable funds. During the year the Trust made various payments on behalf of the Charity, for which it recharged the Charity. These are reflected in the year end accounts as a receivable of £ 327 K with the Charity. The Trust also raises an annual management charge of £51 K to the Charity for the administration of the funds.

Note 37 Events after the reporting date

Since the reporting date the Trust is continuing to deal with the effects of the coronavirus pandemic and to lead on the mass vaccination campaign in Sussex. As a consequence the Trust is continuing to operate with a much increased workforce in 2021/22.
The financial regime of block contracts and reimbursements / top ups is continuing into 2021/22. There are no other significant events to report.

Grant Thornton

Auditor's Annual Report on Sussex Community NHS Foundation Trust

For the period 2020/2021

August 2021

Contents

We are required under Schedule 10 paragraph 1(d) of the National Health Service Act 2006 to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

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

Value for Money arrangements

Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office (NAO) introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money (VFM).

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria.
- Auditors undertaking sufficient analysis on the Trust's VFM arrangements to arrive at far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:

Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.

Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.

Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

Executive summary

Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors report in more detail on the Trust's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Trust's arrangements under specified criteria. As part of our work, we considered whether there were any risks of significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Criteria	Risk assessment	Conclusion
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified but improvement recommendations made.
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified. Some improvement recommendations made.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendations made.

Financial sustainability

The medium term financial position is currently being worked through at a local system level. Appropriate arrangements are in place to ensure the financial position of the Trust. Our findings are set out in further detail on pages 6 to 8.

Governance

Appropriate arrangements are in place. We have identified some improvement recommendations. Our findings are set out in further detail on pages 9 to 11.

Improving economy, efficiency and effectiveness

Appropriate arrangements are in place. We have identified some improvement recommendations that are focused on best practice we see at other trusts. Our findings are set out in further detail on pages 12 to 13.

Commentary on the arrangements to secure economy, efficiency and effectiveness in its use of resources

All Foundation Trusts are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Trust's responsibilities are set out in Appendix A.

Foundation Trusts report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Schedule 10 of the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 3, requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Trust can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Foundation Trust makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Our commentary on each of these three areas, as well as the impact of COVID-19 , is set out on pages 6 to 17.

Financial sustainability

We considered how the Foundation Trust:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Financial management 2020/21

The onset of the pandemic resulted in a revised financial architecture for the NHS. NHSE and NHSI (NHSE/I) suspended the operational planning process for 2020/21. NHSE/I provided all NHS providers with a guaranteed minimum level of income reflecting a cost base based on the following:

- Commissioners agreed block contracts with NHS providers with whom they had a contract, to cover the period 1 April to 30 September. This provided a guaranteed monthly payment, based on the average monthly expenditure implied by provider figures within the M9 Agreement of Balances (AoB) return, plus an uplift for the impact of inflation.
- Trusts were also to suspend invoicing for non-contracted activity for the same period (1 April-30 September) with a sum equivalent to the historical monthly average being added to the block contract from the commissioner.
- A national top up payment was then provided to providers to reflect the difference between actual costs and income guaranteed (as above) where the expected cost base was higher. The Financial Recovery Fund (FRF) and associated rules were suspended during this period.

Providers were able to claim for additional costs, where the block payments did not cover actual costs, to reflect genuine and reasonable additional marginal costs arising as a result of the COVID-19 pandemic. The overarching aim was to ensure that all Trusts maintained breakeven positions throughout this period, regardless of their prior financial position.

For the second half of the financial year simplified arrangements for payment and contracting were extended, but with a greater focus on system partnership and the restoration of elective services. Systems were issued with funding envelopes comprising funding for NHS providers (equivalent in nature to the previous block and prospective top-up payments) plus a system-wide COVID funding envelope. However, access to retrospective top up ended from September 2020. Written contracts between CCGs and NHS providers for the remainder of 2020/21 were also no longer required. Providers and CCGs were instructed by NHSE/I to achieve financial balance within these envelopes in line with a return to usual financial disciplines. Systems as a whole were expected to breakeven, although individual organisations within the system were permitted by mutual agreement to deliver surplus and deficit positions within the overall system envelope.

The Trust's year end revenue financial outturn was a surplus of £0.121m. Regular reports were made to its Resources Committee.

Financial sustainability

Identifies all the significant financial pressures it is facing and builds these into its plans and plans to bridge its funding gaps and identify achievable savings

In April 2021 NHSI set out its guidance on finance and contracting arrangements for April to September 2021. Financing arrangements for NHS providers for the first half of the year are similar to that of the second half of the 2020/21 financial year:

- System funding envelopes are set out, comprising adjusted CCG allocations, system top-up and COVID-19 fixed allocations based on October 2020 -March 2021 envelopes, adjusted for known pressures and policy priorities.
- Block payment arrangements will remain in place and signed contracts between NHS commissioners and NHS providers are not required for the first half of 2021/22.
- Block payments for the first half of the financial year with NHS providers will be amended to reflect the changes to system funding envelopes, eg. application of inflation and distribution of additional funding.

Both NHSE and NHSI have nationally calculated CCG and NHS provider organisational plans for the first half of the financial year as a default position for systems and organisations to adopt. NHSE and NHSI have stated that this will allow organisations to have a starting point for budget management without the need to complete extensive planning processes while in recovery from the COVID-19 pandemic. All systems are expected to report back a balanced position. Where systems do not report a balanced position, regions will be required to assess the causes and work with systems to develop a balanced plan. No further guidance has yet been provided for the second half of the year.

For 2021/22 the Trust has set a business and financial plan with a £1.1m deficit which complies with guidance on what the Trust will receive in terms of block income and additional income for exceptional items such as COVID-19 vaccination centres and elective recoveries. At current data (Month 3 monitoring) the Trust forecasts that it will have sufficient income to covers its expenditure in 2021/22, achieving a break even position without support from the Sussex Health and Care Partnership (SHACP), the integrated care system (ICS) within which it operates. The ICS is assessed as having a balanced position for the year.

There is no evidence to suggest the budget created on these assumptions is based on unrealistic expectations. The Trust has included in its planning detail in regards to cost pressures/expectations and a prudent approach to additional income streams such as elective recovery funds. It has appropriately drawn on available data such as expected inflation, population statistics and the revenue costs of proposed capital expenditure. Due to COVID-19 , operational savings plans have not been monitored or progressed. This is reasonable and in line with expectations of the system. However, it is realistic to expect new saving plans to be required in the near future at levels similar to pre-pandemic levels. The Trust has identified potential areas for making these savings such as posts currently vacant, but not yet defined programmes within these areas.

Plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities and ensures its financial plan is consistent with other plans

Financial planning at the Trust demonstrates a clear understanding of the cost of delivering core services as distinct from less high priority areas of spend. This spending prioritises the areas of focus in the corporate strategy of the Trust.

There are funding gaps in the Long Term Financial Model however given this was written pre-pandemic the landscape of the NHS has significantly changed since, as such, any associated savings schemes or additional income is now out of date. These have not yet been refreshed, however this is not unexpected given the existing lack of clarity on the ongoing funding system for NHS bodies in the medium term. Medium term financial planning is taking place now for the local health system.

Discussions with management confirm the linkage between corporate plans, ICS planning and financial plans. The workforce plan is intrinsically interlinked with the annual budget and is appropriately presented as complimentary reports to support decision making. In common with the rest of the sector, the Trust has accumulated significant annual leave balances for its staff. Decisions on how to manage this staffing risk are ongoing, but the financial impact of this is factored into the budgets. Ongoing revenue costs of major capital investments are appropriately reflected in the revenue budget.

The Trust's Corporate and Workforce plans both span 2019-2022, as does the ICS plan. This means they do not reflect the impact of the pandemic and new ways of working that have emerged and may well be embedded patterns for the future. Whilst we acknowledge that redrafting corporate and workforce plans during a pandemic is not a key priority, given that medium term financial planning is in progress, it may also be timely to refresh these key strategic plans (Recommendation 1).

Financial sustainability

Identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans

The Trust appropriately incorporates risks into its planning and budgeting and presents these risks clearly to the Board.

There is ambiguity around 2021/22 funding and the medium term, but the Trust is responding appropriately.

The Trust has a history of strong financial performance and stewardship, operating within financial boundaries and managing savings programmes is not a potential significant weakness.

Conclusion

We found no evidence or indication of potential significant weakness regarding the financial sustainability arrangements at the Trust, as such, no further risk-based work has been performed on this criteria for assessing the arrangements for securing value for money.

Governance

We considered how the Foundation Trust:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Through the board assurance framework (BAF) the Trust has sufficient arrangements in place to identify strategic risks, understand them, record them within the body's risk management system and assess/score them. The BAF is clear, accessible and contains sufficient detail on risks to allow scrutiny and oversight. Sources of assurance across the three lines of defence are recorded and further actions noted to reduce the residual risk rating to the target risk rating. The frequency of reporting of the BAF is determined (quarterly) and followed. The number of identified strategic risks is not overly excessive allowing sufficient time for the Board to consider each.

The Trust has an outsourced Internal Audit function to monitor and assess the effective operation of internal controls. From our attendance at Audit Committee and our review of documentation the Audit Committee receives sufficient assurance and challenges the assurance it is presented with, to enable it to assess whether internal controls have operated as expected. Appropriate time and prominence is given to the work of internal audit. Internal audit provided "reasonable assurance' on the Trust's system of internal controls in 2020/21.

The Local Counter Fraud Specialist (LCFS) holds regular update meetings with the Chief Financial Officer where both reactive and proactive work are discussed and reviewed. Sufficient focus is given to the counter fraud service and working arrangements with them. There is a clear and direct line to the Audit Committee. There is a significant, easily located section on the website dealing with how to raise a fraud issue or case, and examples of what constitutes fraud. This is good practice. The Freedom to speak up (FTSU) index shows the Trust is in an exceptional position with regard to its staff's willingness and understanding of whistleblowing, ranking the Trust, 9th of 220 NHS organisations.

Approaches and carries out its annual budget setting process

The Trust has an appropriate approach to its annual budget setting. Traditionally it adopts an incremental approach with services assessing cost pressures, growth in demand and opportunities for cost savings. These are consolidated and refined to produce the Trust wide annual budget. A lighter touch approach was agreed by the Executive Directors for 2021/22 budget given the revised financial architecture. Service budgets were rolled forward with a limited review to ensure they were robust enough to monitor performance against.

The Trust has a defined business case and investment policy process, which includes limits on approval, delegation for decision making and a requirement to include sensitivities and trend analyses. Business cases and strategic decisions are then filtered up through the appropriate chain of executive and governance committees. There is evidence that this process is adheres too.

The Trust engages with internal and external stakeholders when setting budgets and aligning the medium term financial strategy (MTFS) to the operational planning of the organisation. There is evidence of regular consultation with NHSI, with the Trust submitting all returns on time and electing to submit additional returns and budgets (i.e May 2021 budget submission). Throughout the year the Trust engages with its local NHSE/I representative. It is clear that consultation has occurred for capital expenditure planning, both internally from a clinical need perspective and in the 'wider internal' of partnership organisations where the capital expenditure plans impact potentially shared premises, such as the redevelopment of Brighton General Hospital Site.

Governance

Ensures effectiveness processes and systems are in place to ensure budgetary control

Budgetary control arrangements are robust. Budget holders review financial performance and identify actions to resolve adverse variances on a regular and established basis. This is completed between the finance function and the budget holder monthly. The process is weekly in relation to salaries and agency costs as there has been pressure on both of these areas during the COVID-19 pandemic.

There is evidence that financial performance is a key objective for senior managers and that it forms part of the body's performance management processes to ensure formal and effective accountability for the delivery of budgets. We noted that in published job descriptions this requirement is listed.

Regular financial performance against budget is scrutinised by the Resources Committee and presented to the Board. The Board's agenda also includes an Integrated Performance Report, allowing quality, operational, workforce and financial performance to be judged holistically. Relevant non-financial information is presented alongside but not as part of the financial reporting.

Ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

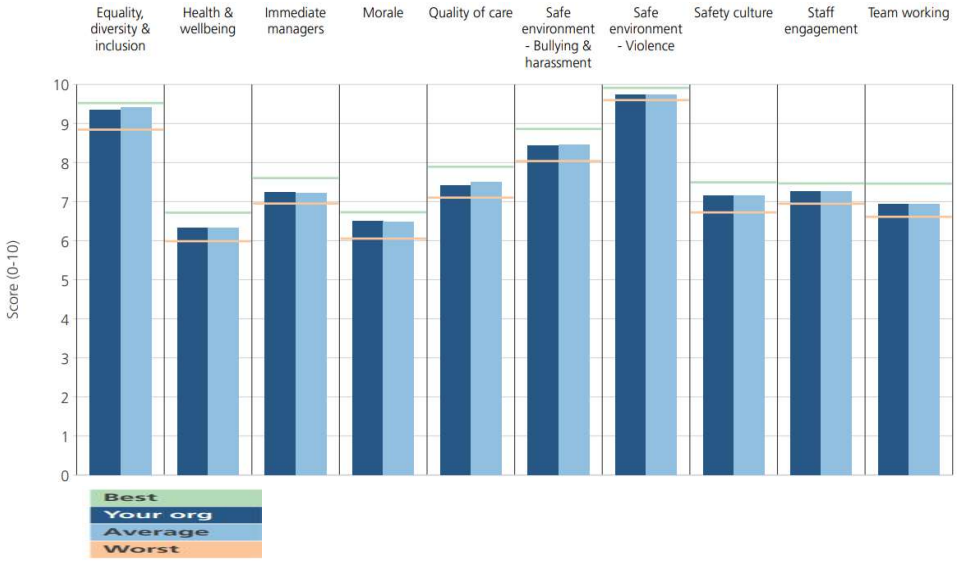
The Trust like many others, has a codified decision making framework. This consists of Standing Financial Instructions and Scheme of Delegation, Standing Orders for the Board of Directors, Reservation and Delegation of Powers and Detailed Scheme of Delegation. The Trust Board endorsed revisions and their continued applicability in November 2020.

Appropriate information is provided to decision making forums and it is evident that there is the opportunity for challenge. Budgets are discussed within the committees of the Board with final approval from the Board. This provides appropriate opportunity for challenge and revisions where necessary.

The Chief Executive Officer (CEO), Chief Financial Officer, Chief Operating Officer, Medical Director and Chief Nurse are present at appropriate committee meetings, providing both leadership and challenge. The Trust has an established working framework under the 'Just Culture' scheme and weekly messages from the CEO add to the accessibility of very senior management.

A key function of the Board and senior leadership is to establish the culture of the Trust, creating an environment of learning, listening, innovating, and to be safe. The Trust's 2020 staff survey results paint a positive picture from staff's perspective of the existing culture within the Trust.

Staff survey results



A review of the breaches and waivers papers presented to Audit Committee show no indication of due process being avoided which might result in illegal actions or actions which would damage the reputation of the Trust.

The Trust seeks feedback to inform its strategic direction and the shape and effectiveness of its services. It has a Membership Strategy setting out how it will recruit, engage and develop its trust membership and is developing a Patient and Carer Experience and Involvement Strategy (2021 -2024). However we note that several documents online are now outdated. This includes the trust engagement strategy which expired in 2019. We have assumed for the purposes of our assessment that the actions listed in this strategy are still relevant in 2021 (Recommendation 2).

Governance

We note that many trust boards receive either highlight reports or minutes of its committees to bring to the attention of the Board, key matters to assure, advice and alert from the last meeting of the committees and, where necessary, seek further views and decisions from the Board in regard to delegated functions of the committees. We could not see evidence of this arrangement in the public Trust Board papers. The Trust informs us that the Committee Chairs Reports are shared with the Board in their private meeting and will from November be shared as part of the Board meetings held in public.

Monitors and ensures appropriate standards

The Trust has arrangements in place to monitor compliance with legislation and regulatory standards. Website content includes explanations on what is fraud, what is bribery, the do's and don'ts and how to report it. An anti-fraud statement from the Trust's Chief Executive Officer has been uploaded. This shows the commitment to highlighting how to act appropriately in its legal and regulatory environment from a different lens than just clinical safety.

The Trust has volunteered for a national fraud study which uses data to highlight common issues within the NHS and share information with neighbouring bodies for example, pricing of agency staff, to benchmark and create a platform for informed negotiations.

Directors must certify on appointment and each year, within the appraisal process, that they are and remain a fit and proper person. A code of conduct which all staff sign up to on employment exists. This ensures staff are aware of their responsibilities in respect of legislation and regulation.

Arrangements for making declarations of interest are in place at the beginning of all Board or committee meetings and a link on the website contains a compiled list of these. The Trust Secretary collates annual declarations which contain instructions to update in-year if circumstances change. Members of the board and other staff classified as 'decision-makers' are required to complete an annual declaration. Board members are also asked to declare any interests they have before the start of each board meeting.

Declarations of interest and the gifts and hospitality register are easily locatable online, however these are not accompanied by a policy or description of what would trigger such a disclosure and by whom. Given the disclosures are made online to be accessible by the general public, the understanding of these could be increased with the inclusion of a policy or explanatory document so that a reader can understand what a conflict of interest or a gift and hospitality disclosure is and who within the Trust has to make these disclosures (Recommendation 3).

Conclusion

We found no evidence or indication of potential significant weakness regarding the governance arrangements at the Trust, as such, no further risk-based work has been performed on this criteria for assessing the arrangements for securing value for money.

Improving economy, efficiency and effectiveness

We considered how the Foundation Trust:

1. uses financial and performance information to assess performance to identify areas for improvement
2. evaluates the services it provides to assess performance and identify areas for improvement
3. ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
4. ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

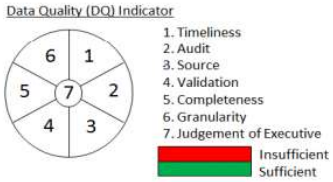
Uses financial and performance information to assess performance to identify areas for improvement

Key performance indicators (KPIs) are provided to the Board to enable monitoring of performance and identify areas for improvement. An Integrated Performance Report contains a suite of metrics across the Trust's operation. From January 2020 , the Trust used statistical processing control (SPC) reporting for all operational metrics and from November all performance metrics including workforce and finance were reported using SPC approach. NHSE have been advocating for greater use of SPC as part of its making data count drive. SPC is an analytical technique that plots data over time. It helps an understanding of variation and guides management to take the most appropriate action. The main aim of using SPC charts is to understand what is different and what is normal to determine where work needs to be concentrated to make a change. It is a methodology that is used by Care Quality Commission (CQC) 'outstanding' rated trusts such as Chelsea & Westminster Hospitals NHS Foundation Trust and The Royal Marsden NHS Foundation Trust.

Our review of performance information indicates the Trust has appropriate arrangements in place to monitor KPIs and use this to instruct improvement programmes. We note that the Trust uses regulatory reports, such as those from the CQC, to seek to improve, integrating the recommendations into the performance monitoring framework which is reported to the Board. In addition, the Trust can demonstrate arrangements are in place to learn from other NHS organisations to improve performance.

Data quality of performance information is monitored by a data quality team and is subject to audit. Internal audit has been working during the year with the Trust to establish a data quality framework. Most of the comparative data comes from nationally available datasets and tools. The transparency of data assurance to the Board is good practice. This is not an area that is well developed by many trusts. We are aware that Nottingham University Hospitals NHS Trust has a particularly well advanced process. Each performance metric has an associated data quality indicator assessing the robustness of the data over 7 domains and is reported as part of each Performance Report. Other trusts achieve the same aim of informing the Board of the robustness of data quality through an annual assurance paper. Given the Trust's renewed focus on data quality, we recommend it considers a way of bringing this to the Board's attention. [Recommendation 4]

Exhibit 1 Data quality indicator used by Nottingham University Hospitals NHS Trust



The Trust's Integrated Performance Reports just focus on the Trust's performance. The Trust is increasingly working in partnership within the local health system and indeed the future policy direction of the NHS is system working. Currently, there are no partnership metrics included in the Trust's Integrated Performance Reports and little coverage in the way of update reports of the work of the Integrated Care System.

Improving economy, efficiency and effectiveness

As partnership working develops, the Board will need appropriate information to both understand performance and to feed back potential improvements. We are aware that some trusts (and local health systems) are beginning to develop partnership metrics to measure and report progress. This should be a future consideration for the Trust, along with update reports on system development (Recommendation 5).

Evaluates the services it provides to assess performance and identify areas for improvement

There is no evidence of consistent failure to meet minimum service standards in core areas. We note that the Trust reported one never event in year. One never event is below the average for trusts. The Trust investigated the one event. Only one of its quality metrics (other than never events) had an adverse variance from target and this was analysed and investigated.

Discussions with Trust leadership and our cumulative knowledge and experience of the Trust show that there is not a tendency to focus on short-term goals or low initial cost options with a higher lifetime cost. We found no indication of the Trust using inappropriate cost drivers or failing to achieve required regulatory recommendations. The Trust plans to achieve long term objectives. Two prime examples of this are its 'Care Without Carbon' programme which seeks to minimise its carbon footprint. The Trust's work was acknowledged in the Health Service Journal Awards 2020 as a finalist in the category of Environmental Sustainability Award. Secondly, the Trust recognises the opportunities that increased digital technology offers to improving its services. It successfully applied for funding from the Government's Digital Aspirants Programme securing £6m funding over the next three years.

Ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve

There is evidence strategies developed at a partnership level are translated into meaningful actions to be delivered by the Trust. A pertinent example of this is the *Hospital at Home* service which has the combined benefit of additional patients treated and lower per-patient costs. The Trust's partnership working was acknowledged in the Health Service Journal Awards 2020 in the category of Integrated Care Partnership of the year for its work with Southdown Housing Trust and MIND in Brighton and Hove in relation to The Lighthouse. Moving forwards the ICS will form the major partnership working element for the Trust. The Trust monitors the implications or impact of spending reductions leading to, for example, a detrimental effect on service quality and performance in priority areas. Going forward as a system, the ICS must set a balanced budget and the Trust will need to deliver its own financial targets to support this objective.

There is no evidence of significant financial loss or failure to deliver expected efficiency/performance improvements when working through significant partnerships.

Ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits

The Trust has an established procurement strategy and complies with it as demonstrated by its accreditation with the NHS Commercial standards level 1. The procurement function has operated under considerable challenge during COVIDbut has complied with existing procurement policies for open market tendering in all but exceptional circumstances. These circumstances relate mainly to the establishment of vaccination centres where the indicator of value for this procurement is the speed at which a site/contract can be operational and compliance with NHSI guidance on site safety and accessibility. These site procurements were approved by very senior management.

The Trust proactively engages with the market for contract management, and (re)negotiation to ensure value is provided. The procurement team show a genuine and consistent drive for improvement and learning, attending training with fellow trusts, liaising with neighbours to negotiate better rates and engaging actively to learn from elsewhere. There is an established capital and procurement management strategy with monitoring built in to the business case led framework. There is open communication between the procurement function and the budget holders of services procured. Where required, the Trust appropriately sources external expert guidance on procuring services, including legal advice. A review of breaches and waivers shows no indication of contracts being rolled forwards without due process being followed.

Conclusion

We found no evidence or indication of potential significant weakness regarding the economy, efficiency and effectiveness arrangements at the Trust, as such, no further risk-based work has been performed on this criteria for assessing the arrangements for securing value for money.

COVID-19 arrangements

Since March 2020 COVID-19 has had a significant impact on the population as a whole and how NHS services are delivered.

We have considered how the Trust's arrangements have adapted to respond to the new risks they are facing.

Financial sustainability

Arrangements are in place to identify and monitor additional costs arising from responding to the COVID-19 pandemic. This includes operational level initial coding and reporting COVID-19 costs separately at scrutiny level.

The Trust also has arrangements in place to compile and monitor returns to NHSE/I relating to COVID-19 costs and to assess whether COVID-19 related spend is appropriate to be incurred.

Governance

The Trust's arrangements adapted to respond to the new risks its faced from 2020/21 onwards in respect of COVID-19. This included reflecting pandemic risks into the BAF.

The Trust's governance and internal control systems were also adapted. Where changes were required to financial or other control processes as a result of COVID-19 these have assessed by internal audit and by management to confirm they are appropriate.

There has been no marked decrease in assurance gradings from internal audit in 2020/21.

Improving economy, efficiency and effectiveness

The Trust maintained effective controls around expenditure and procurement during the pandemic by maintaining good practice on breaches and waivers and complying with existing procurement rules. We have no concerns to highlight around COVID procurement.

The Trust has arrangements in place for capturing and monitoring the impact of COVID-19 on quality and safety through its committees and through the integrated performance reporting.

The pandemic demonstrated public services at their best: dynamic, responsive, collaborative, fleet of foot, and truly committed to patients and their community. Working to protect the Sussex public from the pandemic is a key example of successful system working.

In December 2020, both NHS and local authorities focused on the vaccination programme. The Trust led the community vaccination programme, recruiting some 1400 temporary staff for this; organising vaccination centres such as the Brighton Centre. The vaccination rates within Sussex compares well to national rates. As of 22 July 88.4% of residents within the ICS footprint had received at least 1 dose of the vaccine, this compares favourably with the national average of 87.2%. Those in this area that has received both doses was level with the national average of 79.3%.

Conclusion

We have no concerns to raise in relation to the arrangements in response to COVID-19.

Improvement recommendations

Financial Sustainability

	Recommendation 1
Recommendation	Consider updating the Corporate Strategy and Workforce Strategy now alongside the medium term financial planning.
Why/impact	To align corporate strategic planning with medium term financial planning
Auditor judgement	The Trust's Corporate and Workforce plans both span 2019-2022, as does the ICS plan. This means they do not reflect the impact of the pandemic and new ways of working that have emerged and may well be embedded patterns for the future. Whilst we acknowledge that redrafting corporate and workforce plans during a pandemic is not a key priority, given that medium term financial planning is in progress, it may also be timely to refresh these key strategic plans.
Management comment	Trust Board is to start work on new Trust Strategy from the autumn and is also aware that workforce strategy is due for renewal in 2022.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Governance

	Recommendation 2	Recommendation 3
Recommendation	Refresh the engagement strategy and review online publications to ensure they are all up to date.	Publish further explanatory information alongside the declaration of interest ad gifts and hospitality publications to aide the public's understanding of these disclosures.
Why/impact	Will ensure all publications aimed at the public are up to date.	to aide the public's understanding.
Auditor judgement	The Trust seeks feedback to inform its strategic direction and the shape and effectiveness of its services. It has a Membership Strategy setting out how it will recruit, engage and develop its trust membership and is developing a Patient and Carer Experience and Involvement Strategy (2021 -2024). However we note that several documents online are now outdated. This includes the trust engagement strategy which expired in 2019.	Declarations of interest and the gifts and hospitality register are easily locatable online, however these are not accompanied by a policy or description of what would trigger such a disclosure and by whom. Given the disclosures are made online to be accessible by the general public, the understanding of these could be increased with the inclusion of a policy or explanatory document so that a reader can understand what a conflict of interest or a gift and hospitality disclosure is and who within the Trust has to make these disclosures.
Management comment	Trust Board is aware of the need to develop new Engagement Strategy (delayed due to COVID). There is an October Board Seminar where one of the items of business is to start this piece of work.	To implement by 22 September

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Economy, Efficiency and Effectiveness

	Recommendation 4	Recommendation 5
Recommendation	Consider a way of bringing to the Board's attention, on a recurring timeline (to be determined), the data quality of performance metrics reported to the Board and its sub committees.	Consider and include performance metrics covering partnership working in future performance reports to the Board. In addition, include regular reports covering updates on the Integrated Care System developments, plans and objectives.
Why/impact	The transparency of data assurance to the Board is good practice. This is not an area that is well developed by many trusts.	As partnership working develops, the Board will need appropriate information to both understand performance and to feed back potential improvements.
Auditor judgement	Data quality of performance information is monitored by a data quality team and is subject to audit. Most of the comparative data comes from nationally available datasets and tools. During the year, we saw no evidence of the Board being made aware of the data quality of the performance metrics.	Currently, there are no partnership metrics included in the Trust's Integrated Performance Reports. The Trust is increasingly working in partnership within the local health system and the future policy direction of the NHS is system working.
Management comment	In 2020/21 the Trust agreed with its Internal Audit team that we adopt a data quality framework, specifically targeted at providing a comprehensive and consistent approach to assessing the risks to data quality for Board reported metrics. We are in the process of finalising plans for the assessment of our metrics using that framework and will consider how best to use the results of the assessment in our Board reporting.	The Trust is considering performance metrics covering partnership working to include in future reporting to the Board. The CEO's report at Board meetings held in private includes an external update covering Integrated Care System developments, plans and objectives.

The range of recommendations that external auditors can make is explained in Appendix B.

Opinion on the financial statements

Audit opinion on the financial statements

We gave an unqualified opinion on the financial statements on 28 June 2021.

We also concluded the other information to be published with the financial statements, was consistent with our knowledge of the Trust and the financial statements we audited.

Audit Findings Report

We reported our findings in our Audit Findings Report, which was reported to the Trust's Audit Committee in June 2021.

We did not identify any material adjustments to the financial statements which impacted on the Trust's surplus position.

Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office (NAO).

We were able to certify and report to the NAO that the figures reported in the consolidation schedules were consistent with the audited financial statements.

Appendices

Appendix A - Responsibilities of the Foundation Trust

The accounting officer is responsible for:

- Preparation of the statement of accounts
- Ensuring that income and expenditure is in line with relevant laws and regulations
- Assessing the Trust's ability to continue to operate as a going concern

For Sussex Community NHS Foundation Trust the Accounting Officer is the Chief Executive.

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accounting Officer is also responsible for ensuring the regularity of expenditure and income.

The accounting officer is required to comply with the NHS foundation trust annual reporting manual and the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Appendix B - An explanatory note on recommendations

The recommendations that can be raised by the Trust's auditors are as follows:

Type of recommendation	Background	Raised within this report
Statutory	Written recommendations to the Trust under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014	No
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Trust. We have defined these recommendations as 'key recommendations'.	None identified
Improvement	These recommendations, if implemented should improve the arrangements in place at the Trust, but are not a result of identifying significant weaknesses in the Trust's arrangements.	Yes

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Independent auditor's report to the Council of Governors of Sussex Community NHS Foundation Trust

In our auditor's report issued on 28 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had:

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

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 28 June 2021 we reported that, in our opinion the financial statements:

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

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

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

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

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

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

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

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

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

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Sussex Community NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Darren Wells

Darren Wells
Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London

26th August 2021