Annual Report and Accounts

2020-2021

NHS
University Hospitals of Derby and Burton
NHS Foundation Trust

#TeamUHDB

EXCEPTIONAL Care Together

COMPASSION + EXCELLENCE + OPENNESS

University Hospitals of Derby and Burton NHS Foundation Trust
Annual Report and Accounts 2020 – 2021

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

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This report takes account of the guidance issued by NHS Improvement (NHSI) within the NHS Foundation Trust Annual Reporting Manual 2020-2021 and the revised NHS Foundation Trust Code of Governance (July 2014). The Board of Directors are responsible for preparing this document. The Board considers the 2020-2021 Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for patients, regulators, and other stakeholders to assess the Trust's performance, business model and strategy. The audited accounts of the group have been prepared under a direction issued by NHSI under the National Health Service Act 2006.

Chair's and Chief Executive's Statement

This has been the most challenging period in the 73-year history of the NHS. The year itself has been dominated by our response to the COVID-19 pandemic. There are detailed accounts published on our website both from the Trust, but also from individual colleagues about our experience of caring for those most greatly and indeed gravely affected by this dreadful illness. Included in the Annual Report and Accounts this year is 'A Reflection on the Year', which replaces the normal annual highlights, which seemed more fitting given the challenges we've faced including the sad loss of colleagues but also the tremendous support we've received from our communities.

Throughout our Annual Report 2020-2021 we will obviously refer to the pandemic, but it is important that this document continues to describe how the Trust has performed over the past year more generally, especially given that the vast majority of patients who have needed us have required non-COVID-19 related treatment or care.

It's almost three years since the merger that created University Hospitals of Derby and Burton (UHDB). We have continued to make good on our promises to develop specialist services at Royal Derby Hospital (RDH), create a sustainable future for Queen's Hospital Burton (QHB) and make the best use of our community hospitals Sir Robert Peel (SRP), Tamworth, Samuel Johnson (SJCH), Lichfield and the London Road Community Hospital (LRCH), in Derby.

Despite the challenges of the pandemic we have continued to look to the future and in July last year we launched our new strategy, Exceptional Care Together 2020-2025. Exceptional Care Together builds on our original aims for UHDB, the emerging plans of our partners in Staffordshire and Derbyshire and the national direction set out in the Long-Term Plan for the NHS. Exceptional Care Together describes a stretching set of strategic ambitions which we commit to deliver over the next five years. Put simply:

> "Together we will make a difference, we will save lives and give excellent care to everyone who needs it. We will become the best place to work, learn and receive care in the NHS by applying the highest level of skill, knowledge and research."

Exceptional Care Together is underpinned by ten enabling strategies, these are detailed plans for the next five years which show how we will systematically improve the quality of our services, the working lives of our people and transform our clinical services to deliver modern and effective care. These enabling strategies also explain how we will maximise the benefits of digital technology, restore financial balance, build on our reputation for Research and Development and make a substantial effort to support sustainability and minimise our environmental impact.

A major focus for the Trust Board this year has been to accelerate our progress towards becoming a more inclusive organisation. We have all been affected by the knowledge of the greater impact of COVID-19 on our minority ethnic communities and by the Black Lives Matter movement which followed the dreadful events in the USA last summer. This year we published our new Equality, Diversity and Inclusion Strategy and have made a concerted effort to increase the diversity of our Board, strengthen all our staff networks and establish an independently chaired Staff Forum. We are also pleased to note that as well as being in the vanguard of the national

COVID-19 vaccination programme we have also one of the best records in the NHS for ensuring that our colleagues of a Black, Asian Minority Ethic (BAME) heritage have received this protection; largely due to a campaign led by our own minority ethnic leaders.

During the year the quality of our care was reviewed independently by the Care Quality Commission (CQC). In 2020 we retained 'Good' overall. The inspectors found that all the services they visited were responsive and well led and our community hospitals were Good across the board. Medical care at the Royal Derby Hospital remains Good for 'Effective'. However, the CQC highlighted some areas where we could do better for example protecting our inpatients from the risk of falling whilst in our care and steps have been taken to improve matters.

It was reassuring to see that the CQC particularly recognised that our people are caring. In the report the CQC acknowledge that UHDB colleagues provide good care and treatment, support each other and provide services that are focused on the individual needs of the patients receiving care. We should not shy away from the fact that there are areas we can improve, but we can reassure our communities that our services are of a high standard in which they can have confidence.

One of our ambitions is to make UHDB the best place to work and the annual national NHS Staff Survey is a good barometer of our progress. UHDB colleagues continue to say that the Trust is the place where they would like their families to receive treatment. Despite the pandemic more than 6,800 staff took part, the highest response rate since the Trust was created. More than 80% of our people said they agreed with the key question of "if a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation", which is well above the national average of 74.3%.

In addition, staff also said that they believed UHDB to be the best place to work and that the care of patients was the organisation's top priority. Both areas scored well above the national average. For 'Care of patients / service users are my organisation's top priority' we scored 81.6% against the national average of 79.4%. For 'I would recommend my organisation as a place to work' we scored 71.1% against the national average of 66.9%.

Two other key areas of our performance are financial and operational delivery, which we can usually compare year on year. This year is different in that an exceptional financial regime was introduced because of the pandemic. We are pleased to say that the Trust fully met its financial responsibilities within these temporary arrangements and 'broke even'. However, the Trust still has a significant underlying deficit which will require renewed focus on improving our efficiency and reducing waste in the new year. Furthermore, our performance against some of the national standards relating to the timely delivery of care were seriously affected by the pandemic. Whilst we made a good recovery during the summer the second wave was more severe and protracted and our performance against the national standards was further affected. The detail of this is within our report. We are now focussed on our recovery once again and expect to make good progress. Our PRIDE Improvement Practice will help us meet these challenges. However, the delays in treatment for routine surgery that developed during the year present a very serious challenge and will take up to two years to clear.

We know how distressing this must be for those waiting and we will do all in our power to make progress as rapidly and as safely as we can.

There was still good news during the year. For example, women treated for ovarian cancer in Derby and Derbyshire have the best five-year survival rate in the East Midlands. We also reduced the rate of stillbirths at our hospitals below the national average. We promise that we will not lose sight of making improvements for our patients regardless of the challenge of the pandemic.

Perhaps one of the most rewarding aspect of 2020-2021 has been fulfilling our commitment to strengthen and sustain important local services at Queen's Hospital Burton. During the year we opened the £23m Treatment Centre extension, the largest capital investment at the hospital in over a decade. At the same time, we invested £2m to expand the Emergency Department and £5m to expand the intensive care unit. We started work on the £6.4m multi-storey car park that will create 425 spaces and work began on the Outwoods Healthcare Village, which will eventually help to transform health and care in East Staffordshire.

We would like to thank our system partners in both Staffordshire and Derbyshire who have walked by our sides every step of the way this year, our Governors for their encouragement and also our communities and local businesses who have supported us so well.

Finally, we would like to remember those colleagues we have sadly lost this year. We want to pay tribute to all our UHDB colleagues who have worked tirelessly in the face of a relentless challenge. Their courage and commitment have been limitless. We are both in complete admiration for your fortitude and loyalty to the people we serve. A heartfelt 'thank you' to you all.

Dr Kathy McLean OBE
Chair
28 June 2021

Gavin Boyle
Chief Executive
28 June 2021

Trust Profile and History

University Hospitals of Derby and Burton NHS Foundation Trust (UHDB) is a forward looking organisation that wants to improve the health and wellbeing of the communities it serves. In the last year it has launched a five-year strategy, Exceptional Care Together 2020-2025, to guide us to become a Trust that provides the highest standards of care and be a leader in healthcare research, education and innovation.

With UHDB now one of the largest hospital providers in the region, following its merger in 2018 by two Trusts coming together; formerly Burton Hospitals and Derby Teaching Hospitals, it has already started to improve services for local people in South Derbyshire and South and East Staffordshire. Our 13,000 NHS staff across five hospitals, and other Derbyshire sites where our staff work, provide care for over one million patients each year, with an annual budget of over £970 million.

As part of our Strategy there are ten enabling strategies that underpin it, designed to support our staff to improve their services for their patients. These are being used from how we provide local clinical services to investing in infrastructure at Queen's Hospital Burton, or expanding our specialist services at Royal Derby Hospital and develop the role of our Community Hospitals in Lichfield, Tamworth and Derby.

We are also working closely within the healthcare systems across Derbyshire and Staffordshire, including with the Clinical Commissioning Groups (CCG's), Local Authorities and NHS providers. Everyone is working towards becoming an Integrated Care System, with the aim to ensure that all in our communities have the best start in life, live well and age well. These partnerships will be the means by which the improvements set out in the Long-term Plan for the NHS will be delivered.

As a University Hospital we are a research active Trust and work closely with the National Institute for Health Research and our partner universities in Nottingham, Derby and others. We are also a leading provider of healthcare education from apprenticeships to post graduate qualifications, with our partners at Health Education England and with our local higher and further education institutions. We are nationally recognised for volunteering which gives our Trust a warm, friendly, family feel. Our Trust and region are a great place to live, learn and work.

We provide services on five main sites including the Royal Derby Hospital which provides general acute and specialist care including complex surgery, radiotherapy, cancer care services and others. Queen's Hospital Burton provides important general hospital services to the people of Burton and East Staffordshire, including A&E, critical care, inpatient surgical and medical services, paediatrics and maternity care. We have three community hospitals in Lichfield, Tamworth and Derby providing outpatients services, step-down healthcare of the elderly beds, minor injuries and outpatient services. At London Road Community Hospital in Derby we also have specialised neuro rehabilitation, at Sir Robert Peel Community Hospital there is daycase surgery and endoscopy and at Samuel Johnson Community Hospital there is a renal dialysis.

We also provide Derbyshire Pathology, an integrated service supporting all NHS organisations including primary care in Derbyshire, delivered in partnership with Chesterfield Royal Hospital.

The Trust has one of the largest planned surgical programmes in the country with the third highest number of elective operations. The Royal Derby Hospital is a leading cancer centre and has a world renowned Hand Unit providing specialist care and therapy. In addition, every day our hospitals see more than 4,000 outpatients, nearly 1,000 patients in our busy A&E and Minor Injury Units, and carry out in excess of 400 elective procedures.

The Royal Derby Hospital, incorporating the Derby Medical School and School of Health Sciences, is Derbyshire's only teaching hospital; working in partnership with the University of Derby and the University of Nottingham, educating and training future generations of doctors, nurses and other healthcare professionals. Queen's Hospital Burton also has close links with the University of Wolverhampton and University of Leicester.

UHDB staff and volunteers pride themselves on delivering high quality patient care; this has been consistently recognised year upon year through achievement of many national awards for patient care, safety and patient experience.

Vision and Values

In 2018 our staff decided what kind of organisation we wanted to become through a 'big conversation', which asked three important questions.

- **Why?** - Why are we here – our fundamental purpose;
- **How?** - How should we behave as an organisation; and
- **What?** - What specific things do we intend to do to improve the lives of the communities we serve.

We had 73,000 responses from colleagues; from this the answers to these three questions emerged:

Why? – Our purpose:

To deliver Exceptional Care Together

"Together we make a difference, we save lives and give excellent care to everyone who needs it. We will become the best place to work, learn and receive care in the NHS by applying the highest level of skill, knowledge and research."

How? – Our Values and Behaviours:

Our people repeatedly used three words which have now become a statement of our collective values – compassion, openness and excellence. These values shape how we behave:

Compassion	We show kindness. We behave with integrity. We are thoughtful.
Openness	We are inclusive; we respect and value everyone. We collaborate. We actively listen and give and seek feedback.

Excellence We take responsibility.
We continuously learn and grow.
We push boundaries and challenge ourselves.

With regard to excellence, we do not think that we are there yet but believe passionately that excellent care is what the communities we serve deserve. We have taken responsibility for this and have set our standards high.

What? – Our Strategic Aims:

Having agreed our five strategic priorities or our PRIDE ambitions, in 2020-2021 we published detailed plans regarding how we will achieve them:

P - Putting our patients and communities first.
R - Right first time.
I - Invest our resources wisely.
D - Develop and nurture our colleagues.
E - Ensure improvement through effective partnerships.

We recognise that UHDB is one of the largest employers in our region and spends £970m each year in wages and on supplies. As an 'anchor' organisation in the wider local economy we recognise our responsibility to be more than a provider of healthcare but also to help improve the wellbeing of our communities, to help raise the aspirations of young people, address inequality, promote greater environmental sustainability and support the local economy too.

A Reflection on the Year

2020-2021 has been challenging period, but a year where our staff have excelled. The year was significantly affected by COVID-19, but there have still been a number of highlights across the Trust.

April 2020
The first wave of the COVID-19 pandemic peaked in April 2020 with nearly 250 inpatients. During this month we mourned the loss of Amged El-Hawrani at the end of March and remembered colleagues Manjeet Singh Riyat and Eileen Landers, who both died from COVID-19. Elsewhere, teams and departments changed or developed new services, such as the respiratory team expanding Continuous Positive Airway Pressure (CPAP) treatment or the Patient Experience Team launching a new messaging service to allow patients to keep in touch with their families.

May 2020
A group of volunteers from Toyota joined Team UHDB to support us through the COVID-19 pandemic. The engineers spend more than 50 days supporting the Estates and Facilities teams. We celebrated International Nurses Day and throughout the month featured the experience of colleagues who had changed their role to support others. However, there was again sadness at the loss of Norman Austria, a Healthcare Assistant at Royal Derby Hospital.

June 2020
Chief Executive Gavin Boyle and Chair Kathy McLean wrote out to colleagues across the Trust reinforcing that that there is no place for racism at UHDB in the wake of the Black Lives Matters movement. We reflected on the passing of the first wave by celebrating some of the achievements of our staff, including Our discharge teams, who were selected as the deserved winners of our 'Team UHDB Award' after completely transforming the way we safely discharge patients as a Trust. The discharge processes created at UHDB would go on to be held up as an example to follow nationally. We also thank Rolls Royce for their support in providing visors.

July 2020
The new £23m Treatment Centre extension at Queen's Hospital Burton became operational. The state-of-the-art building increases the number of people who can have surgery at the hospital and at £23m was the largest investment at the hospital for over a decade. The opening took place at a similar time to the two-year anniversary of the merger and encapsulated the move to provide a sustainable future for Queen's Hospital Burton. In addition, 87-year-old Gwnyeth Campton from Swadlincote became the 1,000th person to be discharged following care for COVID-19.

August 2020
The Lymphoedema Service became one of only 11 centres in the world to achieve special recognition for the care provided to patients. The service was awarded the title of Comprehensive Centre of Excellence by the Lymphatic Education and Research Network (LE&RN). The Parkinson's Service at UHDB was also recognised internationally as providing 'outstanding' care by becoming one of 47 in the world to be designated as a Parkinson's Foundation Centre of Excellence. Stillbirth rates at UHDB fell below the national average. Nationally, the average rate of stillbirths is 4.1 per 1,000 births, whereas the Trust's stands at 2.2 per 1,000 births.

September 2020
A UHDB respiratory service that provided vital support to patients throughout COVID-19 received national recognition. ImpACT+ (Improving Adult Respiratory Care Together) helped patients with lung conditions by bringing different services together to offer comprehensive support to patients throughout all points in their care pathway, both at hospital and in their own homes, which won them a Health Service Journal (HSJ) Value Award. The Trust also started taking part in a national trial, SIREN, aiming to find out whether healthcare workers are protected from future episodes of infection.

October 2020
UHDB was rated as has again been rated as Good by the Care Quality Commission. We retained 'Good' overall having been fully inspected last in 2019, following the merger in 2018. We celebrated Allied Health Professionals (AHP) Day. AHP's are often the unsung heroes of the NHS; they are the people who work with the medical and nursing teams to diagnose, treat and promote the rehabilitation of patients in a variety of settings. Miss Gill Tierney, Consultant Surgeon, was elected as the President of the Association of Surgeons of Great Britain and Ireland from 2023. Cathy Winfield, Executive Chief Nurse, was awarded an MBE for her services to Nursing.

November 2020
The rising levels of COVID-19 in our communities meant that we started to see an increase in the number of COVID-19 patients we were caring for in our hospitals. The Trust opened its doors to the BBC with a series of interviews with staff from Intensive Care, the Medical Assessment Unit and from our Trust Board so our communities and the nation could see the challenges facing frontline staff and the impact on those affected by COVID-19. At the same time, Renal Consultant Nitin Kolhe and his colleagues published the first piece of research in the UK and only the second in Europe about how COVID-19 patients who also develop Acute Kidney Injury (AKI) are adversely affected by the virus. There was sadness with the loss of Dr Krishnan Subramanian, a Consultant Anaesthetist, from COVID-19.

December 2020
On 8 December UHDB joined other trusts in being the first to administer the Pfizer COVID-19 vaccine anywhere in the world. The vaccine was first offered to UHDB outpatients over 80 years old, who were already attending hospital for an appointment. Elsewhere Helen Forrest, Lead Nurse for Infection, Prevention and Control (IPC) at UHDB, was recognised for her outstanding work during COVID-19 by the Royal College of Nursing (RCN). Paul Brooks, Director of Patient Experience, Estates and Facilities at UHDB, was awarded an MBE for his services to Healthcare Leadership.

January 2021
The second wave would peak during January with 524 inpatients. Christine Cullen, 67, from Normanton, became the Trust's 3,000th patient to be discharged from hospital following care. To ensure clarity on how our patients and staff can keep safe across our sites, we launched our COVID-19 Safety Charter. Elsewhere, the Intensive Care Unit (ICU) at Queen's Hospital Burton started undergoing £5m of improvement works which will see the size of the unit expanded and extra isolation rooms installed. The A&Es at both Royal Derby and Queen's also expanded thanks to £4m of government funding. Later in the month the 10,000th person was vaccinated at UHDB and the Queen's Hospital vaccine hub opened.

February 2021
UHDB administered its 20,000th COVID-19 vaccination, meaning any member of staff who wanted the vaccine had now been offered it. Sadly, we lost Michelle Hart, Receptionist on Ward 408, and Joe Wilson, a chef at Queen's Hospital Burton, to COVID-19. Elsewhere, we recognised Staff Nurse Aldarico Velasco for standing up to racism following him sharing his experience of working. Elsewhere, a patient had their hand reattached following an industrial accident. The Royal Derby Hospital Pulvertaft Hand Centre received national acclaim for restoring some of its movement.

March 2021
The Vaccination Hub started administering the second doses of the COVID-19 vaccines. In the national staff survey more than 80% of staff said they agreed with the key question of "if a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation", which is well above the national average of 74.3%. There were also positive scores for recommending quality or care and as a place to work. And finally, construction of a new multi-storey car park at Queen's Hospital Burton was given go-ahead following the allocation of £3m of Government funding.

Performance Report

Key Issues and Risks That Could Affect the Trust in Delivering Its Objectives

As identified in more detail within the Accountability Report, the Trust has identified a number of strategic imperatives, underpinning its five PRIDE values. Specifically, these are;

- Developing services to maximise productivity and efficiency.
- Delivering quality in everything we do; safety, effectiveness and patient experience.
- Developing integrated care for people with long term conditions to help them stay as healthy as they can.
- Creating networks for complex and acute care.

In developing strategic objectives relating to the above, the Trust continues to focus on:

- System transformation.
- Strategic alliances.
- Relationships with Local Commissioners/ Stakeholder Relations.

Key risks that could affect the Trust in delivering its objectives were set out within the Board Assurance Framework (BAF) for 2020-2021 that was developed in line with the Risk Management Strategy and Policy.

The most significant risks are considered to be as follows:

- Services not being able to safely meet the needs of our patient population whilst responding to the COVID-19 pandemic and its aftermath.
- Failure to deliver safe and effective care, causing un-necessary harm to our patients.
- Being unable to deliver core Information Management and Technology (IM&T) Services.
- The organisation not meeting data security and information governance standards during its response to the COVID-19 pandemic.
- Being unable to deliver the right interventions and outcomes for our patients in a timely manner.
- Being unable to deliver our core services.
- Patients not having access to critical drugs and medical devices due to restricted supply, gaps in the clinical workforce due to reduced supply of European workforce and loss of reciprocal healthcare arrangements.
- Being financially unsecure and unable to deliver against agreed annual financial target.
- Our colleagues not feeling engaged, valued, nurtured and supported.
- Failure to deliver high quality and timely services to patients.
- The Trust failing to create a diverse, inclusive and equitable culture.
- Developing fractured care delivery systems and pathways.
- The Trust not building on the post-merger opportunity and capitalising on our increased scale and scope of service to deliver the strategic potential outlined in Exceptional Care together including partnership working across the Sustainability and Transformation Partnership (STP).

During March 2020, the COVID-19 pandemic hit the UK significantly impacting the operation of UHDB and the NHS in general. A specific risk was produced for this concern backed up by a dedicated COVID-19 risk register. This was reviewed and updated daily due to the fast changing pace of the pandemic. A dedicated Gold Command structure was put in place to deal with the issues that arose from the pandemic and this linked into the Trust Governance structure.

All divisional risks and the risks are reviewed monthly at the Risk and Compliance Committee as well as being seen by Trust Delivery Group and bi-monthly at the Board Committees. The BAF, together with a high level risk report, is seen regularly at the meetings of the Trust Board held in Public.

Going Concern

The financial statements for the year ended 31 March 2021 have been prepared on a Going Concern basis, as stated in the Chief Executive's Accounting Officer Statement. As per guidance in the Department of Health and Social Care (DHSC) Group Accounting Manual the expectation that the Trust will continue to provide patient services is sufficient to determine the Trust is a going concern.

After making enquires, the directors have a reasonable expectation that the services provided by the NHS Foundation 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.

The Trust Board continues to monitor its monthly and future cash position and will engage in discussions, through NHS Improvement, with the Department of Health, for funding support should the requirement arise.

As part of the Government's response to the COVID-19 pandemic an agreement was made to fully fund all NHS Acute Trusts for the first six months of the 2021-2022 financial year. This will have a significant impact on the Trust and once this additional funding comes to an end a review of the financial position will be undertaken

How the Trust Measures Performance

The Trust measures Business Units and Divisions on key indicators and targets split across five domains using the PRIDE framework. This enables the development of operational plans at Divisional level which will help to ensure that operational delivery is supporting the achievement of the Trust's long term aims. The Divisional Quarterly Performance Review Group meetings between the Executive and Divisional leadership teams track delivery of these Divisional plans.

The Integrated Performance Report is structured using the PRIDE framework and each element of the PRIDE framework has been allocated to a Committee of the Trust Board, or reports direct to the Trust Board, in order to assure the Trust Board that particular operational and strategic objectives are being achieved as per below:

P Putting our patients and communities first – Quality and Performance Committee.
R Right first time – Quality and Performance Committee.
I Invest our resources wisely - Finance and Investment Committee.
D Develop and Nurture our colleagues – People and Culture Committee.
E Ensure improvement through effective partnerships – Trust Board.

The Committee structures beneath these Board Committees has been mapped to agree where metrics will be tracked and escalated.

Summary of Performance in 2020-2021.

Cancer Waiting Times

Cancer performance is reviewed by the Cancer Improvement Group, which is chaired by the Divisional Director for Cancer, Diagnostics & Clinical Support. In addition to assuring performance against agreed improvement trajectories the Cancer Improvement Group reviews all breaches of the 62-day target to receive assurance that patients have not been harmed as a result of any delays. This group reports into the Operational Performance Improvement Group which is chaired by the Executive Chief Operating Officer.

Maximum waiting time of 62-days from urgent GP referral to first treatment for all cancers.

All cancers: 62-day wait for first treatment from: • urgent GP referral for suspected cancer • NHS Cancer Screening Service referral	**University Hospitals of Derby and Burton NHS Foundation Trust**	**National Average**	**Highest Performing Trust**	**Lowest Performing Trust**
2020-2021 (Apr - Jan)	72.3%	67.2%	91.4%	43.3%
2019-2020	74.20%	76.93%	94.26%	58.19%
2018-2019	78.56%	78.97%	95.79%	57.59%

A&E Wait Times

The four hour wait performance has again proved as challenging for UHDB as it has nationally particularly with the impact of COVID-19 and the need to establish separate streams of patients. There have been a number of improvements introduced throughout the year including capital works to increase the space in Emergency Departments at Derby and Burton and the introduction of an Urgent Care Treatment Centre at Derby. These improvement workstreams are overseen by the Non-Elective Improvement Group, chaired by the Divisional Director for Medicine and which reports into the Operational Performance Improvement Group.

The Trust continues to play a proactive part in both Derbyshire and Staffordshire Urgent Care strategy and improvement plans agreed with our local Clinical Commissioning Groups, local A&E Delivery Board, and our local Health and Social Care partners.

Percentage of Patients with a Total Time in A&E of Four Hours of Less from Arrival to Admission, Transfer or Discharge.

A&E: maximum waiting time of 4 hours from arrival to admission/transfer/ discharge	**University Hospitals of Derby and Burton NHS Foundation Trust**	**National Average**	**Highest Performing Trust**	**Lowest Performing Trust**
2020-2021 (Apr-Feb)	74.7%	84.9%	98.3%*	65.7%*
2019-2020	77.46%	83.18%	98.80%	66.26%
2018-2019	85.17%	85.48%	97.91%	66.91%

Data has been extracted from NHSE statistics section. Includes Type 1-3 data. Highest / lowest values relate to February 2020 data only in 2020-21.

Referral to Treatment (RTT) Waiting Times

The Trust failed to achieve the incomplete target in 2020-2021 with the impact of lost capacity due to COVID-19 being the main contributory factor. The focus nationally and within the local Integrated Care Systems is to focus on the clinically urgent patients. This has been achieved by undertaking regular clinical reviews of patients on the waiting list and assigning a nationally defined clinical priority as per below:

Priorities	
P1	<72 hours
P2	<1 month
P3	<3 month
P4	>3 months
P5	Patient postponed - Covid
P6	Patient postponed - Other
P0	No Priority

Theatre capacity is reviewed daily to ensure that P1 and P2 patients can be treated as clinically indicated.

UHDB are working with System partners to utilise all available capacity to treat patients equitably according to their clinical priority. Indications are that it may take two years to recover waiting list delays – similar delays exist nationally.

As one of the largest Trusts in terms of theatres and elective activity, UHDB has been particularly impacted on by COVID-19 especially as a large proportion of that activity is in Trauma and Orthopaedics. As a partner within the Joined-Up Care Derbyshire system the Trust is participating within the Midlands Elective Care Delivery Programme. This programme consists of a series of workshops which aim to bring together colleagues from all professions involved in providing, managing and commissioning Orthopaedics and also Ophthalmology.

Referral to Treatment (RTT) is reviewed at the Elective Improvement Group which is chaired by the Divisional Director for Surgery and reports into the Operational Performance Improvement Group.

Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	**University Hospitals of Derby and Burton NHS Foundation Trust**	**National Average**	**Highest Performing Trust**	**Lowest Performing Trust**
2020-2021 (Feb-2020)	53.3%	66.2%	99.6%	30.9%
2019-2020 (Mar-2020)	79.08%	72.94%	100.00%	58.08%
2018-2019 (Mar-2019)	88.86%	86.70%	100.00%	71.14%

Clostridium difficile Infections (C.diff)

The end of year total for C.diff cases was 106 cases attributed to UHDB in 2020-2021. Due to the COVID-19 pandemic, trajectories were put on hold, these will be reset in quarter two of 2021-2022.

The Trust remains fully committed to improving all aspects of Infection Prevention and Control to minimise the numbers of patients who contract C.diff and there is on-going scrutiny of each case to identify learning from lapses of care.

Detailed performance measurement is in place with reports going to each Board Committee on a regular basis as detailed in their workplans. Quarterly Performance Review Group meetings are held with all the Divisions and these are reported through the governance structures.

7 Day Services

UHDB has completed a twice-yearly audit of patient notes as evidence to NHS England of the standard of care across seven days of the week. The 7 Day Service national survey covers the management of patients admitted as an emergency, measured against four priority standards.

Progress towards standards was previously measured twice a year through a 7 Day Service Self-Assessment tool. All acute NHS provider trusts were required to undertake and submit a sample of case notes reviews for standards 2, 5, 6 and 8 across a seven-day period.

In March 2020, in light of the COVID-19 pandemic, NHS England paused the requirement to provide submissions in relation to 7 Day Services and there is no further announcement as to when submissions will be required to re-commence.

Financial Performance

Financial performance is reviewed with reports going to the Trust Board and each Board Committee on a regular basis as detailed in their workplans. In addition, Divisional teams attended the Finance Improvement Group during the year to present their financial position, covering key reasons for off plan performance and any actions that will be taken to improve the situation. Divisional performance reports are included in the Finance and Investment Committee papers. Items are escalated as appropriate from Finance Improvement Group to the Finance and Investment Committee.

Other Key Measures

Quality measures are escalated from the Divisional Quarterly Performance Review Group meetings through to the Quality Improvement Group and then to the Quality and Performance Committee. The Executive Medical Director and Executive Chief Nurse also include quality measures in their reports to the Trust Board. Nurse staffing fill rates are reviewed at Safe Staffing Board and triangulated with other performance measures at the Divisional Quarterly Performance Review Group meetings.

Patient Experience and Engagement

The Trust reached a number of key milestones during March 2020 in relation to Patient Experience and Engagement:

- Ratification of the Trust Patient Experience and Engagement Framework.
- Expert support provided by the Patient Engagement and Inclusion Officer to develop the Patient Experience Engagement and Inclusion Action Plan 2020-2021.
- The Patient Experience Intelligence Co-ordinator commenced analysis and triangulation of patient feedback data, to identify how representative the responses are of the diverse communities and patients we serve.

In order to promote equality of service delivery to different groups across the organisation the Trust initiated a diverse range of activities during 2020-2021:

- Making Trust surveys more accessible to different patient groups, by reviewing the heath inequalities and demographics.
- Development of a Trust wide engagement activities/ projects tracker tool.
- Virtual conference attendance at Engage 2020, with workshop sessions focussing on engagement with people facing health inequalities. To be progressed during Patient Experience Week 2021, with workshops focussed on the needs and experiences of specific patient groups who may find it difficult to access our services and be underrepresented in patient feedback.
- The Trust responded to NHS England's draft Framework for Patient Involvement in Patient Safety and to develop an outline implementation plan. The report was submitted to the Quality Improvement Group in December 2020.
- Maintaining contact with key community networks and partners including the Derby Refugee and Asylum Coordination Group; Support Staffordshire Locality Forum meetings and Carers Support Groups; as well as partners in Local Authorities; Clinical Commissioning Groups (CCGs) and other health sector providers.
- Developing new partnerships with the West Midlands Regional Alzheimer's Society, as well as the post of Admiral Nurse.
- Successful merging of the Queen's Hospital Youth Forum with the Royal Derby Hospital based Youth Forum to create one virtual group.
- Patient Stories heard at Board using virtual engagement through Microsoft Teams.
- Engagement with Patient Experience Champions through successful Microsoft Teams workshops.
- Plans initiated to establish a quarterly virtual Patient Participation Group forum for both Derbyshire and Staffordshire, to be progressed during 2021.

The Trust will continue to focus on the following key priorities:

- Prioritising the focus on the main engagement projects.
- Ensuring patient feedback and involvement is more representative of the community we serve.
- Gaining further insight into the health inequalities experienced by our patients.
- Utilising community networks to engage on specific projects, such as that of the Autism accreditation project.
- Promoting the Virtual Visiting iPads and Civica app to gather patient feedback and consolidate the Family and Friends Test response rate.

Customer satisfaction scores

The Family and Friends Test (FFT)

The Trust continues to utilise the Friends and Family Test (FFT) Survey data to give valuable insight into the UHDB patient experience and satisfaction with our services. The questions relating to FFT are standardised across multiple different surveys, and range of audiences from 'Adults' and 'Children' as well as bespoke localised surveys. The satisfaction score is generated from one question ***"Thinking about your recent visit, overall how was your experience of our service?"*** and takes '***Very Good'*** and '***Good'*** responses combined, to give a percentage figure.

The Trust is able to demonstrate that it achieved at least 90% in the satisfaction score during 2020-2021 as demonstrated below.

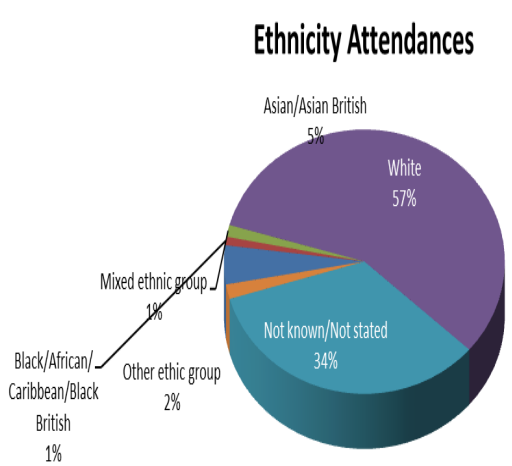
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Satisfaction Score (All Surveys)	92%	90%	93%	94%

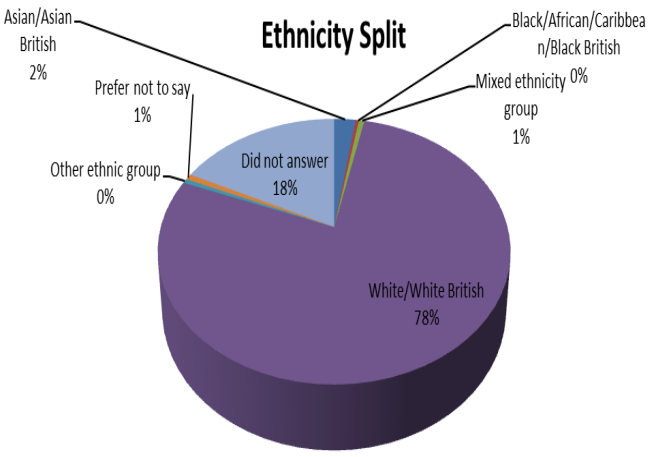
Gender

In terms of Gender, the total number of Quarter 4 FFT Survey responses was 18,774 (9.63%), and of those 76.18% identify as male or female. Positive themes consistently outweighing negatives in the comments - *excellent, friendly and brilliant* feature prominently, whilst negative themes feature *politeness and feeling safe.*

Ethnicity

The pie chart below illustrates that Persons of White/White British ethnicity accounted for 57% of attendances across the trust, with 'not known/not asked' accounting for 34%. In comparison, 78% of satisfied responses and 75% of all responses were generated from those of White/White British origin. However, whilst White/White British make up the majority of respondents there is no indication from the FFT data below, that other ethnicities have a worse experience.





The table below indicates that the numbers of 'Poor' and 'Very Poor' responses are not proportionally higher.

	Satisfied Total	Positive %	Dissatisfied Total	Negative %	Neutral Total	Neutral %
Asian/Asian British Asian/Asian British	530	93.97%	16	2.84%	14	2.48%
Black/African/Caribbean/Black British	140	93.96%	5	3.36%	4	2.68%
Mixed ethnicity group	92	89.32%	4	3.88%	10	9.71%
White/White British	13646	95.19%	323	2.25%	436	3.04%
Other ethnic group	128	94.81%	4	2.96%	2	1.48%
Prefer not to say	229	78.97%	30	10.34%	28	9.66%
Did not answer / Was not asked	108	56.84%	6	3.16%	70	36.84%

Disability, Religion and Sexuality Characteristics

The above characteristics are poorly represented in the FFT surveys with response rates indicating *'did not answer'.* In terms of sexuality, individuals identifying as Bisexual feel the same level of emotions throughout their patient experience as those identifying as Heterosexual on the scales of *Emotion, Love, Delight and Fear.*

The Trust will continue to undertake work to improve reporting on the above characteristics to gain feedback from underrepresented ethnicities, emphasising the confidentiality of all data that is disclosed, as well as encouraging patients to disclose their orientation through work with LGBTQ (Lesbian, Gay, Bisexual, Transgender and Queer or Questioning) representation.

Environment and Sustainability

UHDB is on a pathway to achieve carbon neutrality by 2045, in line with the Greener NHS programme. Our pathway to net zero will require various decarbonisation methods ranging from energy efficiency, purchase of renewables, decarbonisation of fleet, staff/community engagement and carbon offsets. Our commitment to environmental protection and sustainability was reaffirmed through the development of our first Board approved Environmental and Sustainability Strategy (available on our website) which outlines our objectives and opportunities for tangible progress towards achieving our ambitious target of becoming 'net zero' by 2045.

Targets outlined within our Environmental and Sustainability Strategy are aligned with the net zero pathway, and sit within five broad objective themes:

- Reduce our Carbon Footprint to Net Zero by 2045.
- Increase Green Travel.
- Increase Engagement in Environmental Protection and Sustainability Issues.
- Promote a Sustainable Approach to Provide a Healthy, Safe and Clean Environment.
- Reduce Waste and Cut the Amount of Single Use Plastic Across our Hospitals.

Targets

The pandemic significantly impacted on our plans and abilities to meet our targets. The increase in single use Personal Protective Equipment (PPE) and additional chemicals required for the additional cleaning has had a negative impact on our Sustainability agenda but has been crucial in keeping staff and patients safe.

UHDB had eight targets to meet during 2020-2021

Target	Deadline	2020-2021	2019-2020
Reduce carbon footprint by 34%	04/2021	◐	○
Achieve widespread implementation of LED lighting and smart energy management	04/2021	◔	◐
No longer purchase single-use plastic stirrers and straws, (unless there is a medical need)	04/2021	◔	○
Fleet vehicles leased or purchased are Low Emissions or Ultra Low Emissions vehicles	04/2021	●	◐
Purchase 100% renewable electricity from energy suppliers	04/2021	●	○
Proportion of desflurane to sevoflurane used in surgery is no more than 20% by volume	04/2021	○	○
Implement the Estates and Facilities Management Stretch Programme	04/2021	◐	○
Expenses policy promotes and incentivises sustainable business travel	04/2021	◐	◐
True North Goal – Net Zero by 2045			

Achieved ● **Significant Progress** ◔ **Some Progress** ◐ **Not Achieved** ○

There have been many improvements and challenges faced in regard to transport during 2020-2021 including:

- COVID-19 response leading to increase in staff working from home and attending virtual meetings;
- Additional secure staff cycle storage installed at Queen's Hospital Burton in 2020; providing secure storage for an additional 20 bicycles;
- Specification for new taxi contract included sustainability evaluation criteria;
- A comprehensive update to our Trust Travel Plan published in 2020 (available on the Trust website);
- Government advice to avoid public transport and car sharing where possible as a COVID-19 precaution;
- Trust guidance issued to staff in November 2020 to prohibit car sharing by staff; unless staff have no other means of travelling to work.

The improvements and challenges faced in regard to utilities and energy management during 2020-2021 include:

- Installation of solar panels on our new Treatment Centre building – which supplies 25% of the buildings electricity requirement;
- Ongoing LED replacement lighting scheme across the Trust with a view to achieving wide scale adoption of this technology;
- Procurement of a new 100% green electricity contract;
- Electronically Commutated (EC) Fans installed in the Treatment Centre Modular, Main Theatres and A&E at Queen's Hospital Burton; these are more efficient cooling fans compared to the model that they replaced, saving around 30% in energy costs (est. £2,500 per year).

We have also recently been able to offer bike maintenance sessions from Dr Bike, planted 210 additional trees on the Queen's Hospital Burton site and donated excess equipment to charity. Our catering team have also been working hard preparing new delicious vegan dishes.

Focus in 2021-2022

Target	Deadline	2020-2021	2019-2020
Increase provision of Electric Vehicle infrastructure across the Trust;	04/2022	◐	○
No longer purchase single-use plastic cutlery, plates or single-use cups made of expanded polystyrene or oxo-degradable plastics	04/2022	◐	◐
Significantly reduce consumption of single-use plastic food containers and other plastic cups for beverages – including covers and lids	04/2022	◐	○
All new builds and refurbishment projects are delivered to net zero carbon standards	04/2022	◐	◐
Dedicated website for environment and sustainability goes live for internal (staff) and external (public) access	04/2022	○	○
True North Goal – Net Zero by 2045			

Achieved ● **Significant Progress** ◔ **Some Progress** ◐ **Not Achieved** ○

Social, Community and Human Rights Issues
Full information is provided in the Remuneration Report on page 52.

Post Balance Sheet Events
Since the end of the financial year on 31 March 2021 there have been no post balance sheet events.

Overseas Operations
There have been no overseas operations by the Trust during the financial year.

Dr Kathy McLean OBE
Chair
28 June 2021

Gavin Boyle
Chief Executive
28 June 2021

Accountability Report

Directors' Report

The Trust Board
The role of the Trust Board is to set the strategic direction of the Trust, to promote leadership of the organisation, and to report to NHS Improvement its performance against predetermined financial and clinical measures.

To achieve these objectives, the Trust Board receives regular detailed reports enabling appropriate decisions to be taken directly by the Trust Board or through delegation of authority to various Committees. During the course of the year the Trust Board met, confidentially, on a monthly basis and bi-monthly in public.

The Trust also operates a scheme of delegated authority which identifies certain activities with specific financial limits for approval by the Trust Board and for different levels of key senior management within the organisation.

Decisions reserved for the Trust Board are set out in Section 1 of the Trust's Scheme of Delegation and cover regulations and control, appointments/dismissal, Strategy, Business Plans and budgets, policy determination, audit, monitoring and the Annual Report and Accounts.

Other delegations are set out in the following sections of the Trust's Scheme of Delegation:

- Section 2 – Committees.
- Section 3 – Council of Governors.
- Section 4 – Accountable Officer.
- Section 5 – those derived from Codes of Conduct and Accountability.
- Section 6 – Standing Orders.
- Section 7 – Standing Financial Instructions.
- Section 8 – Scheme of Delegation.

The Trust Board of UHDB comprises nine Non-Executive Directors including the Trust Chair, and eight Executive Directors including the Chief Executive. Executive Directors comprise the Chief Executive, Executive Chief Operating Officer, Executive Director of Finance and Performance, Executive Medical Director, Executive Chief Nurse, Executive Director of People and Organisational Development, Executive Director of Strategy and Improvement and Executive Managing Director - Burton.

The Non-Executive Directors included three specific individuals who have financial and/or commercial experience, three with a clinical background, a University Professor of Healthcare Research, a digital specialist and one with Local Authority/NHS experience.

UHDB also participates in the NHS NExT Director Scheme which supported senior people from groups that were currently under-represented on trust Boards, with the skills and expertise necessary to take that final step into the NHS Boardroom. The

Trust had appointed two NExT scheme members to develop for future Non-Executive Director posts. They are non-voting members of the Trust Board.

In March 2020 in response to the COVID-19 national incident, an emergency command and control structure was put in place which included Gold and Silver command levels. The Executive Chief Operating Officer was nominated as the Trust Lead. The Trust reverted to the normal governance structures during August 2020, however the Gold and Silver meetings were reinstated when the second wave started during September 2020. As the second wave has eased, meeting frequency has been reduced.

Taking account of the NHS Foundation Trust Code of Governance, the Board has taken the view that all the Non-Executive Directors are independent. All Non-Executive Directors declare their interests and in the unlikelihood that such interests conflict with those of the Trust, then the individual would be excluded from any discussion and decision relating to that specific matter.

Under the terms of the Trust's Constitution, members of the Trust Board are individually required to declare any interest which may under the terms of the Constitution conflict with their appointment as a Director of the Foundation Trust. During the year none of the Trust Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the University Hospitals of Derby and Burton NHS Foundation Trust. A Register of Directors' Interests is available on the Trust's website or via the Trust Secretary.

Any member of the Foundation Trust wishing to make contact with the Trust Board members should contact the Trust's Corporate Governance Team on 01332 786896 and arrangements will be made for the appropriate Trust Board member to make contact.

Trust Board Meeting Attendance

Trust Board Members	Title	Trust Board Meeting	Quality and Performance Committee	Nominations and Remuneration Committee	People and Culture Committee	Audit Committee	Finance and Investment Committee	Charitable Funds Committee
Non-Executive Directors								
Kathy McLean	Trust Chair	17/17		2/2				
Graham Bragg	Non-Executive Director (until May 2020)	1/1		0/0			0/0	
Vicky Chapman	Non-Executive Director	15/17		1/2	6/6			5/5
Kathy Farndon	Non-Executive Director (from May 2020)	16/16	7/8	2/2				
Christine Fearns	Non-Executive Director	17/17	9/9	1/2	8/8			1/1
Ian Gell	Non-Executive Director	17/17	9/9	2/2		5/5		
Stephen Goode	Non-Executive Director and Vice Chair (until February 2021)	15/15	8/8	2/2			10/10	4/4
Stephen Jarratt	Non-Executive Director	17/17		1/2		5/5	12/12	
Sardip Sandhu	Non-Executive Director (from February 2021)	2/2		0/0			1/1	1/1
Justin Shannahan	Non-Executive Director and Vice Chair (from February 2021)	17/17		1/2		5/5	12/12	5/5
Joy Street	Non-Executive Director	17/17		2/2	8/8	5/5		4/4
Executive Directors								
Gavin Boyle	Chief Executive	17/17						
Duncan Bedford	Executive Managing Director, Burton	17/17						4/5
Simon Crowther	Executive Director of Finance and Performance (from September 2020)	9/9				2/2	5/6	3/3
Kevin Downs	Executive Director of Finance and Performance (until September 2020)	6/8				3/3	5/6	2/2
Magnus Harrison	Executive Medical Director and Deputy CEO	17/17	7/9					
Krishna Kallianpur	Interim Executive Chief Nurse (until June 2020)	4/4	3/3		2/2			
Sharon Martin	Executive Chief Operating Officer	17/17	9/9				11/12	
Peter Moore	Executive Director of Strategy and Improvement	16/17					9/12	
Amanda Rawlings	Executive Director of People and Organisational Development	17/17			8/8			
Cathy Winfield	Executive Chief Nurse (From July 2020)	9/13	5/6		4/4			

Non-Executive Directors at 31 March 2021

Dr Kathy McLean, OBE – Chair (appointed 1 August 2019, for three year term)

Kathy has held Board positions both locally in Derbyshire and nationally. In addition to her role as Chair of University Hospitals Derby and Burton she is the Independent Chair of Nottingham and Nottinghamshire Integrated Care System and a Non-Executive Director at Barts Health NHS Trust. Prior to becoming a Non-Executive, Kathy was Executive Medical Director and Chief Operating Officer at NHS Improvement, the organisation responsible for providing leadership and support to NHS trusts and Foundation trusts. Prior to this she was the Clinical Transitions Director working with Sir Bruce Keogh to build the NHS Commissioning Board, now NHS England.

Kathy was Executive Medical Director at the former Derby Hospitals NHS Foundation Trust for over six years, where she was also a Consultant Physician from 1994 until 2009, and then Medical Director at East Midlands Strategic Health Authority.

Her work has focused on improving quality by building clinical leadership and expertise across the system, supporting the most challenged organisations and leading change. In 2018 Kathy was awarded an OBE in the Queen's Birthday Honours for her services to leadership across the NHS.

Justin Shannahan – Vice Chair (appointed 1 June 2019, for three year term)

Justin joined the Trust Board in June 2019. He has a broad finance, purchasing and commercial background and worked for over 20 years in a number of roles at Rolls-Royce, most recently as the Director of Finance of the Civil Aerospace division.

As well as his current role at UHDB, Justin also works as a Non-Executive Director at Rotherham, Doncaster and South Humber NHS Foundation Trust and on a part-time basis as Head of Finance Strategy at Derbyshire County Cricket Club. Justin holds a BA (Hons) in Accounting and Financial Management.

Justin is the Vice Chair of the Trust, the Chair of the Audit Committee and a member of the Finance and Investment Committee and the Charitable Funds Committee.

Joy Street – Senior Independent Director (appointed 1 July 2018, current term expires 31 March 2023)

Joy has had a varied career spanning the public and private sector including being CEO of a Training and Enterprise Council, Chamber of Commerce and Business Link; Chairing a Mental Health Trust for eight years; running her own regeneration consultancy company, owning a restaurant, working at Board level in the NHS at a specialist hospital and serving as a Non-Executive Director on a range of companies including a major housing association. She is passionate about equality

and equity and keen to see that UHDB acts as an exemplar major employer, embedded in its local community.

Joy is the Chair of the People and Culture Committee and a member of the Audit Committee. Joy remains actively engaged in community-based activities in the Midlands, e.g. charities and has held several trustee and Chair positions in the voluntary sector and on University boards. Joy provides support to young people transitioning from the care system and works with Social Services to improve the care system.

Professor Victoria Chapman (appointed 1 February 2020, for three year term)

Vicky has been a member of academic staff at University of Nottingham since 1998 and Deputy Director of the Versus Arthritis Pain Centre (formerly Arthritis Research UK Pain Centre) since 2010. Vicky leads an internationally recognised research team focused on the mechanisms of chronic pain and the identification of novel targets for treatments and is published over 125 original articles, successfully supervised over 25 PhD students and held grants from Versus Arthritis, MRC, Industry, Wellcome Trust and FP7.

Vicky has held senior leadership positions at University of Nottingham, including Deputy Head of School and Interim Head of School (Life Sciences, Faculty of Medicine and Health Sciences). She has previously chaired the implementation of the strategic review of research in the School of Life Sciences and has been an active member of the Athena SWAN committee in the School.

Since 2015 she has been one of five University Research Theme leads reporting directly to Pro-Vice Chancellor for Research. In this role Vicky represented Health and Wellbeing across the University and she has contributed to the development and implementation of the University Research Strategy, including the selection of Research Priority Areas. This over-arching Research Strategy was developed to provide individuals and teams with opportunities to expand their research horizons and capabilities and to provide the University with the infrastructure and capability to further develop research strength and reputation.

Vicky is a member of the People and Culture Committee and the Charitable Funds Committee.

Kathy Farndon (appointed 1 May 2020, for three year term)

Kathy is an independent healthcare management consultant and started her clinical career in Medical Physics where she specialised in Cardiology. She has since gone on to hold very senior national management positions in healthcare both in New Zealand with the Ministry of Health and the UK with NHS England.

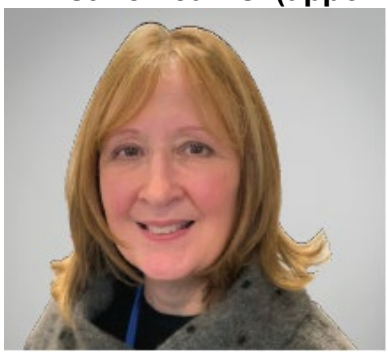
Kathy has held several Board roles with international organisations and is currently Vice President, Society

and Trustee of the Chartered Institute for IT. Kathy is also a member of the all of Government Open Standards Board.

Kathy's clinical and leadership skills and experience, specifically relating to the digital healthcare agenda have been fundamental to her successful career, driving innovative transformational change in order to improve patient care and outcomes.

Kathy is a member of the Quality and Performance Committee and a part of the Well Being team as a guardian at the Trust.

Christine Fearns (appointed 1 February 2020, for three year term)



Chris is a Registered Nurse who has worked in the NHS for over 30 years, initially specialising in Accident and Emergency Care and holding senior clinical roles in Liverpool and Stoke. She then gained experience in primary and community services and was Primary Care Trust (PCT) Director of Primary Care and Community Services in South Birmingham.

She has a major interest in population health, health outcomes, health inequalities and went on to hold Director of Commissioning / Executive Nurse positions in South Birmingham and North Staffordshire.

Latterly she gained significant senior leadership experience in strategy and acute service transformation holding both board level positions and later partnership programme director roles leading new models of care across primary and secondary care to ensure safe and sustainable services.

She lives in Staffordshire and is actively engaged in community-based activities. Chris holds a BSc (Hons) in Nursing and is registered with the Nursing and Midwifery Council (NMC).

Chris is Chair of the Charitable Funds Committee and a member of the Quality and Performance Committee, Chair of Organ Donation Committee, Board Non-Executive Director (NED) Safety Champion for Maternity Services and NED Volunteers champion.

Dr Ian Gell (appointed 1 July 2019, for three year term)

Ian qualified in Medicine from Leeds University in 1977 and then trained as an anaesthetist in hospitals in Yorkshire, the South West and in Sweden before returning to Yorkshire as a Senior Registrar. He was appointed as a Consultant Anaesthetist at Chesterfield Royal Hospital in 1987 where he worked for 27 years. In addition to his clinical role Ian developed a major interest in medical management and assumed the role of Clinical Director at Chesterfield from the mid 1990's where he managed a number of different directorates.

Ian was appointed as Executive Medical Director at Chesterfield in 2009. In 2011 he became the Trust's first Responsible Officer and led the introduction of medical appraisal for doctors in the trust and local revalidation processes.

As well as his local role Ian was also a member of Monitor's Medical Advisory Group and became the Secondary Care Clinician on the Governing Body of Southern Derbyshire's Clinical Commissioning Group.

In 2014 Ian retired but has continued to work in several areas of the health service at regional and national level undertaking work with NHS Employers and as an independent advisor. He is an Associate Medical Director for NHS England Midlands.

Ian is the Chair of the Quality and Performance Committee and a member of the Audit Committee and the People and Culture Committee.

Steve Jarratt (appointed 1 May 2015, current term expires 30 April 2022)

Steve is a Fellow Chartered Management Accountant and Chartered Global Management Accountant who has held a number of senior level finance roles in private and public sector organisations over the last twenty years. Steve commenced his career in manufacturing, then spent several years in the rail sector initially within British Rail then as a Finance Director of a train operating franchise within the National Express Group. In 2003 he joined the Department of Work and Pensions firstly working within their corporate change programme before taking a senior finance role in JobCentre Plus.

Latterly Steve had been the Deputy Chief Executive of the Independent Living Fund where he also held the position of Finance and Resources Director responsible for all aspects of financial management and control, a position he retired from on 30 September 2015.

Steve is the Chair of the Finance and Investment Committee and is a member of the Audit Committee and a Director on the board of D-Hive Limited.

Sardip Sandhu (appointed 15 February 2021, for three year term)

Sardip Sandhu has over 20 years of experience and expertise in a variety of commercial, general management, strategy and transformation leadership roles at Walgreens Boots Alliance. She specialises in building strategy, operational change and capability and has worked with teams in UK, USA and Asia. Sardip, who has a degree in Materials Technology and is a qualified performance coach, is passionate about people, innovation and ethics in organisations.
Sardip has experience of the public sector though her role as an associate Non-Executive Director at Nottingham University Hospitals NHS Trust.

Sardip is a member of is the member of the Quality and Performance Committee and a member of the Finance and Investment Committee.

Executive Directors as at 31 March 2021

Gavin Boyle - Chief Executive

Gavin joined the NHS just over 30 years ago as a General Management Trainee in Liverpool. This followed University and a degree in Biological Sciences, then a short period of private industry. He holds a Master's Degree in Business Administration and completed the Programme for Leadership Development at Harvard Business School. He spent the first part of his NHS life in and around Liverpool in both primary care organisations and hospitals, then onto Exeter and then Winchester where he was responsible for a broad range of hospital and community services. More recently he has held Board level posts as Director of Operations at the Oxford Radcliffe Trust, the Queen's Medical Centre in Nottingham and at Leeds Teaching Hospitals. Prior to joining Derby Teaching Hospitals in March 2016 as Chief Executive, Gavin has held the position of Chief Executive at Chesterfield Royal Hospital NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust. Gavin is a non-executive member of the supervisory board of GS1 the digital standards and barcoding organisation.

Dr Magnus Harrison - Executive Medical Director and Deputy Chief Executive

Magnus became the Executive Medical Director of the University Hospitals of Derby and Burton NHSFT on 1 July 2018, the day the Trust was formed. Prior to this Magnus had been the Executive Medical Director at Burton Hospitals NHSFT.

Magnus has a background in Medical Leadership and was the Clinical Director for Emergency and Acute Medicine at University Hospitals of North Midlands (UHNM) NHSFT. During his tenure at UHNM Magnus was one of the first cohort to take part in the NHS Leadership Academy's Executive Fast Track Programme, undertaking specialist training and study at Harvard University's Kennedy School. As part of this programme Magnus reviewed healthcare systems in India and spent some time working for EE gaining corporate, private sector experience.

More latterly Magnus jointly led the team that described and defined the patient's benefits that would be delivered as a result of the creation of UHDB. Magnus presented the patient benefits case to regulatory bodies, such as the Competition Markets Authority and NHSI, successfully gaining their approvals.

Magnus is UHDB's Responsible Officer, overseeing all medical revalidation, and the Trust's Caldicott Guardian. Magnus is focused, with Cathy Winfield, Executive Chief Nurse, on delivering the highest quality and safest care for all UHDB's patients.

Duncan Bedford - Executive Managing Director, Burton

Duncan has worked in a number of senior management positions within the Trust including general management roles in a range of specialties, as well as working in both the Division of Surgery and Medicine at Divisional Director level. He has nearly 30 years NHS experience at Derby and has played a part in numerous changes over the years including the building of the new Hospital which opened in 2009. Prior to that Duncan had worked for local authorities working in both county and district councils.

In May 2016 Duncan moved to become Chief Operating Officer at Burton Hospitals NHS Foundation Trust. Here he used his extensive operational management experience to deliver on the national key performance targets as well as playing a part in preparing the Trust for its merger with Derby, at which point he took up his current position as Managing Director in 2018.

Simon Crowther - Executive Director of Finance and Performance

Simon joined the Trust in September 2020 as Executive Director of Finance and Performance. Prior to this Simon spent over five years as the Executive Director of Finance, Information and Estates at Nottinghamshire Healthcare NHS Foundation Trust and within this role Simon also has responsibility for procurement, performance and contracting.

Simon has also previously held other board level roles in other NHS organisations, including commissioning and throughout his career has worked across different sectors and health communities within the NHS. Simon has also previously been a treasurer and trustee for charities within Derbyshire. He is an Associate of the Chartered Institute of Management Accountants (ACMA).

In addition to this Simon is a Trustee for the Healthcare Financial Management Association and is a qualified coaching practitioner.

Sharon Martin - Executive Chief Operating Officer

Sharon was the Chief Operating Officer at Derby Teaching Hospitals NHS Foundation Trust from July 2016. Sharon has worked in Derby for 39 years holding key nursing, leadership and management roles within Medicine. In 2009, as Divisional Lead for Medicine, she led the programme to bring Medicine together onto one acute site in Derby, developing specialty take in and 24/7 services.

Sharon has been instrumental in delivering key improvements to workforce and performance against the four-hour target in Adult Emergency Department. In her previous role as Divisional Director of Integrated Care, Sharon developed the division, particularly focusing on partnership development outside of the acute trust. More recently, following the merger, she has focused on

bringing the operational teams together to improve the services we give to our patients across Staffordshire and Derbyshire. Sharon was the Senior Responsible Officer for UHDB during the whole of the COVID-19 response, working with system colleagues and internally to respond to the pandemic.

Sharon is a passionate leader; patient focused and has a track record of positive staff engagement and achievement.

Peter Moore - Executive Director of Strategy and Improvement

Peter has been the Executive Director of Strategy and Improvement of UHDB since July 2018. Peter's role is in three parts; firstly to lead the delivery of the Trust's Strategic Programme following publication of 'Exceptional Care Together' in 2020, secondly to deliver the overarching Improvement Programme including our PRIDE Improvement Practice and finally to coordinate our integration with our health and social care partners.

Joining the NHS from the automotive industry in 2009, Peter was a Director at Southern Derbyshire CCG, and whilst on secondment to Sheffield CCG and Sheffield City Council in 2016 he led the pioneering Sheffield Place Based Plan which was a leader in developing Integrated Care Systems.

Amanda Rawlings - Executive Director of People and Organisational Development

Amanda joined UHDB in March 2020 having been the shared Director of People and Organisational Effectiveness for Derbyshire Community Health Services Foundation Trust (DCHS) and Derbyshire Healthcare Foundation Trust (DHCT) since September 2016. In addition, between 2014-2016 Amanda was the shared Director of People and Organisational Effectiveness for Derbyshire Community Health Services Foundation Trust and Chesterfield Royal Foundation Trust. Amanda joined the NHS in April 2007, having previously spent her career in private sector; mainly for Caterpillar – Perkins Engines Co Limited, British Sugar PLC and EMAP.

Cathy Winfield, MBE – Executive Chief Nurse

Cathy became the Director of Patient Experience and Chief Nurse at Derby Teaching Hospitals in May 2013, having joined the Trust as Deputy Director of Patient Experience and Chief Nurse in August 2009. Cathy qualified as a Registered General Nurse in 1993 from Bloomsbury and Islington School of Nursing and Midwifery in London, before going on to specialise as a Haemato-oncology nurse, working at the Middlesex Hospital on the first Teenage Cancer Trust Unit in the UK.

As part of Cathy's current role as the Executive Chief Nurse at UHDB she has executive responsibility for Risk Management, Safeguarding, Patient Safety and Quality (jointly with the Medical Director), Facilities Management. Cathy is a Safety Champion for Maternity and Neonates, Children and Young People, she is also the Trust's Director of Infection Prevention and Control.

Cathy is passionate about workforce transformation, staff and patient experience and safety, supporting vulnerable individuals, inclusion and equality for all. Cathy is a coach and mentor and has a Masters with Distinction in Healthcare Governance at Loughborough University. In 2020 Cathy received an MBE for her contribution to nursing services.

NExT Directors (Non-Voting) as at 31 March 2021

Pamela Gupta (appointed 1 December 2020 for 1 year)

Pamela joined the Trust in December 2020 on the NExT Director scheme. She has a 25-year career in Media and Education. She's reported for BBC Radio Derby, East Midlands Today, Radio 4's Today and PM programme, Radio 1 Newsbeat, Asian Network and BBC Minute for the World Service. She's presented local television news in the US.

Pamela was Acting Director of Media at the BRIT School. She's also guest lectured at New York University and at the University of Derby. She's featured in "The Radio Handbook" textbook and has contributed to anti-racism education resources.

Pamela grew up above a corner shop in Normanton in Derby and remains engaged with diverse communities. She volunteers as a Board advisor to a Food Bank and Education Centre which helps mainly refugees and the long-term unemployed.

Pamela sits on the People and Culture Committee. Via the Seacole NHS NEDS Group, she has added to NHS England debates on vaccine hesitancy by minorities and was invited to advise on a government campaign tackling Fake COVID-19 news and disinformation.

Roy Shubhabrata (appointed 1 December 2020 for 1 year)

Roy has spent the last two decades focused on digital transformation in healthcare globally. His interest lies is in the collaboration of government, academia, charities and providers in the adoption of innovative technologies in health and care settings.

Roy is the Chief Executive of Healthinnova, a healthcare services company. He is a Trustee of Age UK, the country's leading charity focused on older people. He is also an Associate Non-Executive Director at Gloucestershire Hospitals NHS Foundation Trust.

Roy's past experience includes leadership roles in GE Healthcare, Microsoft, the World Health Organisation, Epic and Telstra. He holds degrees in mathematics, computer science, health economics and international health policy.

Changes to the Trust Board Membership during 2020 - 2021

There have been a number of changes to the Trust Board during this period, which are detailed below:

Leavers

- Graham Bragg, Non-Executive Director left the Trust on 30 April 2020.
- Krishna Kallianpur, Interim Executive Chief Nurse stood down from her interim position on 30 June 2020.
- Kevin Downs, Executive Director of Finance and Performance left the Trust on 30 September 2020.
- Stephen Goode, Non-Executive Director and Vice Chair left the Trust on 11 February 2021.

Joiners

- Kathy Farndon, Non-Executive Director joined the Trust on 1 May 2020.
- Simon Crowther, Executive Director of Finance and Performance joined the Trust on 28 September 2020.
- Roy Shubhabrata, NExT Director joined the Trust on 1 December 2020.
- Pamela Gupta, NExT Director joined the Trust on 1 December 2020.
- Sardip Sandhu, Non-Executive Director joined the Trust on 15 February 2021.

Cathy Winfield returned from maternity leave on 1 July 2020.

Appointments and Removal of the Trust's Chair and Non-Executive Directors

Under the Trust Constitution, the Council of Governors has the power to appoint and remove the Chair and the Non-Executive Directors of the Trust. Removal of the Chair or a Non-Executive Director requires the approval of three-quarters of the Council of Governors voting in person at a meeting of the Council of Governors.

The process governing the appointment of the Trust Chair and Non-Executive Directors is covered by the Trust's Constitution, the main details of which are set out later in this report.

The Council of Governors were responsible for the appointment of two new Non-Executive Director who joined within the financial year.

Significant Commitments of the Trust Chair and Non-Executive Directors

- Dr Kathy McLean has another significant role as a Non-Executive Director of Barts Health NHS Trust, and is also the Independent Chair of the Nottingham and Nottinghamshire Integrated Care System.
- Justin Shannahan is a Non-Executive Director at Rotherham, Doncaster and South Humber NHS Foundation Trust.
- Sardip Sandhu is an Associate Non-Executive Director at Nottingham University Hospitals.

There are no significant commitments to disclose relating to the Executive Directors.

Trust Board Performance Appraisal

The Trust commissioned an independent review, by KPMG, of the leadership and governance arrangements at the Trust in line with the NHS England and NHS Improvement's Well Led Framework for governance reviews guidance for NHS Foundation Trusts. Work was undertaken between October and November 2020 and the final report was received in January 2021 and an action plan containing the recommendations have been prepared and is being implemented.

Board Committees

The Trust Board has the following committees:

- Quality and Performance Committee.
- People and Culture Committee.
- Finance and Investment Committee.
- Audit Committee.
- Nominations and Remuneration Committee.

The Trust Board acts as the Corporate Trustee for Derby and Burton Hospital's Charity, which has one committee:

- Charitable Funds Committee.

The Trust Board acts as shareholder for D-Hive Limited, which is a wholly owned subsidiary. This has its own board as do its operating subsidiaries

- Clinicians Connected Ltd.
- Pride Pharmacy Ltd.
- Derby Health Staffing Ltd.

Terms of Reference for the Trust Board Committees are reviewed by the Trust Board at least annually and each Committee conducts an annual Self Effectiveness review. The Trust Board continues to hold strategic / seminar sessions where it discusses aspects of Trust strategy and provides the opportunity for all Trust Board members to discuss other issues which have a strategic impact on the Trust as a whole. The details of each of the Trust Board's Committees are set out below.

Quality and Performance Committee

The purpose of the Quality and Performance Committee is to receive assurance that the Trust is meeting the requirements laid down in the Quality Strategy and its associated development plans; taking into account the Trust's role in system-wide transformation. This is linked to 3 key strands:

- Safety of treatment and care provided to patients - avoidable harm.
- Effectiveness of treatment and care provided to patients - measured by both clinical outcomes and patient related outcomes.
- Experience patients have of their treatment and the care they received.

In addition, the Committee provides assurance to the Trust Board:

- That the Trust has appropriate arrangements for measuring and monitoring clinical quality and performance; and that these arrangements are robust, effective and support delivery of our strategic objectives;
- Concerning all aspects of quality, relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients and staff; working as appropriate with partner health and care organisations;

- That the structures, systems and processes are in place to support the provision and delivery of high quality, safe, patient care and to promote equality, diversity and inclusion; and
- That the high and extreme Risk Register risks, Information Technology risks, and relevant Board Assurance Framework risks are being identified and managed effectively.

Membership of the Quality and Performance Committee has changed during the year due the updating of the governance structure and the appointment of new Non-Executive Directors. The Committee attendance has been included in the attendance chart which is part of the Accountability Reports.

The Chair of the Quality and Performance Committee is Dr Ian Gell.

People and Culture Committee
The purpose of the Committee is to receive assurance that the Trust is meeting the requirements laid down in the People Strategy, and its associated development plans; taking into account the Trust's role in system-wide transformation, workforce development and planning.

In addition, the Committee provides assurance to the Trust Board:
- That people related performance issues are properly scrutinised and managed; ensuring that robust measures exist, to monitor and review the people and organisational development activity;
- Concerning all aspects of people relating to the provision of care and services, in support of getting the best clinical outcomes and experience for patients and staff; working as appropriate with partner health and care organisations;
- That Equality, Diversity and Inclusion is at the forefront for the Trust Board and that the structures, systems and processes are in place to support our people in the provision and delivery of high quality, safe patient care; and
- That the relevant high and extreme risks, and relevant Board Assurance Framework risks are being managed effectively.

Membership of the People and Culture Committee has changed during the year due to the updating of the governance structure and rotation of non-executive directors. The Committee attendance has been included in the attendance chart which is part of the Accountability Reports.

The Chair of the People and Culture Committee is Joy Street.

Finance and Investment Committee
The purpose of the Committee is to provide assurance to the Trust Board that key financial, contractual, and investment issues are properly scrutinised. The Committee also:
- Ensures robust measures exist to review financial performance and to give oversight to the development of appropriate financial strategy;
- Ascertains assurance with regard to the Trust delivering the financial plan for the year;

- Provides assurance to the Trust Board, that the relevant high and extreme risks, and relevant Board Assurance Framework risks are being managed effectively; and
- Provides assurance to the Trust Board on proposed investment and capital expenditure planning; in particular, noting how such plans support Board operational strategy and/ or risk mitigation.

Membership of the Finance and Investment Committee has changed during the year due to the updating of the governance structure and the appointment of new Non-Executive and Executive Directors. The Committee attendance has been included in the attendance chart which is part of the Accountability Reports.

The Chair of the Finance and Investment Committee is Stephen Jarratt.

Audit Committee

The purpose of the Audit Committee is to provide the Trust Board with a means of independent and objective review of internal control with an emphasis on:

a) Financial systems;
b) The financial information used by the Trust;
c) The assurance framework and risk management systems and compliance with law; and
d) Guidance and codes of conduct.

Membership of the Audit Committee has changed during the year due to the updating of the governance structure and the appointment of new Non-Executive Directors. The Committee attendance has been included in the attendance chart which is part of the Accountability Reports.

The Chair of the Audit Committee is Justin Shanahan.

Significant Issues considered included:

Matter Considered	Action
Regular review of the Board Assurance Framework (BAF) and risk management processes to ensure assurance of the risk assessments undertaken by the various Committees responsible.	The Committee receives a full report on the BAF to all of its meetings where it reviews the actions taken to strengthen the overall oversight of the risk management process and its links to the Trusts strategic direction. It reviews the work of the Risk and Compliance Group and its role of monitoring risk management across the organisation.
Internal Audit annual work programme and reports reviewing recommendations over a wide variety of activities.	The Committee has received a total of 18 audit reports over a wide range of subjects. The audit plan outlined specific work which was reported to each meeting. Limited assurance reports were individually reviewed by the committee and a regular update on outstanding actions was received. The Head of Internal Audit opinion is detailed in the Annual Governance Statement.

Counter Fraud – Fraud, Bribery and Corruption Plan and changes to NHS Protect.	The Counter Fraud Work Plan is progressively reviewed and assessed throughout the year in order to ensure the counter fraud risk assessment reflects all current risks affecting the Trust. The NHS Counter Fraud Authority has continued to set Standards, in four strategic areas, which the trust is expected to be able to evidence compliance with through the Self Review Tool. The outcome will be reported to Audit Committee for assurance of the Trusts continued commitment to the NHS Counter Fraud Strategy.

During 2020-2021 the above issues were considered by the Committee as significant in relation to the financial statements, operations and compliance.

In line with the recommendations within NHS Improvement's published Audit Code; all Foundation Trusts are required to present an annual report on the activities undertaken during the year, drawing particular attention to the nature of the reports received from both Internal and External Auditors.

The Trust has an internal audit function, provided by 360 Assurance, supporting the Trust in identifying key business risks and gaining assurance that they are being managed effectively, through its Team Manager and associated specialists. Meetings of the Audit Committee are attended by the Executive Director of Finance and Performance, representatives from the Trust's Finance Department, the Trust's External and Internal Auditors, Trust Secretary, and Executive Chief Nurse.

Internal and External auditors provide progress reports to each Audit Committee meeting highlighting key issues such as progress on the internal audit plan and for the external auditors items such as value for money, going concern and availability of capital.

Nominations and Remuneration Committee
This Committee's primary responsibilities are to approve the appointment of the Executive Directors to the Trust Board and to review and agree the terms and conditions of those Executive Directors. The Committee also conducts the Fit and Proper Person's Requirement Investigation Process for Executive Directors. All Non-Executive Directors are members of the Committee and it is chaired by Dr Kathy McLean, Trust Chair.

Membership of the Nominations and Remuneration Committee has changed during the year due and the appointment of new Non-Executive Directors. The Committee attendance has been included in the attendance chart which is part of the Accountability Reports.

Charitable Funds Committee
The Charitable Funds Committee holds delegated responsibilities from the Corporate Trustee which include; ensuring the effective use of Charitable Funds including merging, closing and opening of funds, review of the effectiveness of Fund Managers, producing and keeping under review a Charitable Funds Strategy and Fundraising Strategy, reviewing the governance arrangements for the Charity, and ensuring the

financial stability of the Charity. The Committee provides a resource to support the Fund Managers in the proper discharge of their responsibilities and promote the benefits of charitable funds to the Trust and general public. The Committee attendance has been included in the attendance chart which is part of the Accountability Report.

The Chair of the Charitable Funds Committee up to 11 February 2021 was Stephen Goode, with Christine Fearns taking on the role from 12 February 2021.

D-Hive Limited

Building upon its investment into D-Hive Limited, the Trust continues to support commercial activity performed by its subsidiary and benefits from its success. Additional projects have been undertaken within the year most, notably the opening of the Treatment Centre at Queens Hospital Burton in June 2020. The total benefit to the group from its subsidiary network is estimated to be around £4.25m. D-Hive Limited wholly owns three further subsidiaries; Clinicians Connected Ltd, Pride Pharmacy Ltd and Derby Health Staffing Ltd.

Services provided by Clinicians Connected Ltd were transferred to the Trust during the year. The company remains registered and will become dormant.

Pride Pharmacy Ltd celebrated its first birthday and, despite its first year being largely dominated by the effects of COVID-19, had a successful start. The service to patients has improved and Pride Pharmacy Ltd is looking to build upon that moving forward.

Derby Health Staffing Ltd also had a successful year and became an important part of the staff provision during the COVID-19 outbreak. After navigating an uncertain start to the year due to COVID-19, Derby Health Staffing Ltd went on to enter into agreements with other customers for the provision of resource as part of the COVID-19 work within the community. It is hoped that these contracts can be built upon in the coming year.

D-Hive Group revenue increased to c£49.6m, and the Group will post a profit of around £2.1m. Revenue and profit is expected to further increase in the upcoming year, but the rate of growth is likely to be lower following the delivery of disproportionally large projects in 2020-2021. More importantly, the growth forecasted is expected to include revenues from outside of the group as a result of investment in mobile equipment that will be provided to other organisations.

The Directors of D-Hive Ltd at year end were Stephen Jarratt and Darren Riley, reporting quarterly to the Finance and Investment Committee. Kevin Downs resigned on 30 September 2020, and Scott Jarvis retired on 31 May 2020. The Directors of Clinicians Connected Ltd are Kendre Chiles and Darren Riley; Kevin Downs resigned during the year. Pride Pharmacy Ltd Directors appointed during the year are Clive Newman, Darren Riley and Lela Parojcic; Mike Goodwin resigned during the year. Derby Health Staffing Ltd appointed Directors during the year are Kendre Chiles and Darren Riley; Kevin Downs resigned during the year.

The Trust's Auditors

Appointment Process for the Trust's External Auditor

The appointment of the Trust's External Auditors is a matter that requires the approval of the Council of Governors. The Council of Governors appointed Mazars as the Trust's external auditors for an initial period of three years from 1 December 2019 to 30 November 2022, with an option to extend for a further two years, subject to satisfactory performance.

The External Audit fee for 2020-2021 is £132k, further detail is available in Note 6.2 to the accounts.

The Trust approved the principal terms of engagement with Mazars covering the period of their engagement as auditor. The terms include no limitation on their liability to pay damages for losses arising as a direct result of breach of contract or negligence.

Relationship between the External Auditors and the Council of Governors

Each year the External Auditors are required to present their Audit Letter for the year ending 31 March to the Trust Board and subsequently the Council of Governors, at which time the Governors, whether collectively or individually, have the opportunity to ask the Auditors questions relating to their investigations and points of clarification.

A member of the Council of Governors attends the Audit Committee as an observer.

Other Disclosures

The Trust has complied with the HM Treasury cost allocation and charging guidance as disclosed in the accounting policies. There have been no political donations during 2020-2021. The Better Payment Practice Code (BPPC) requires the payment of undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust did not achieve 95% BPPC compliance within 30 days in 2020-2021. There has been no interest paid under Late Payment of Commercial Debts (Interest) Act 1998 during the year.

Enhanced Quality Governance Reporting

The Trust is guided by NHS Improvement's Quality Governance Framework and the NHS England and NHS Improvement's NHS Oversight Framework in arriving at its overall evaluation of its performance, internal control and Board Assurance Framework. Quality Governance and quality are covered in more detail in the Annual Governance Statement, in accordance with the reporting manual requirements a Quality Report is not included in this Annual Report and Accounts.

The Trust has robust processes in place to ensure that:

- The Trust Board accurately understands the quality of the care the Trust provides.
- The Trust Board is able to assess and mitigate risks to quality.
- Quality is seen as a responsibility of the entire Trust Board.
- The Trust is committed to continuous quality improvement, and has put in place the tools to address poor performance.

Our Vision, Values and Objectives

In July 2020, we formally launched our new strategy, Exceptional Care Together. This followed extensive stakeholder engagement where we listened to our patients, our people, the public and our partners to help us think through how, as part of the health and care systems in Derbyshire and Staffordshire, we can play our part to help people to stay well and provide the best possible care should they need it.

The foundations for Exceptional Care Together were laid during our Big Conversation with our staff, which helped to create our Why?, How? and What?. .

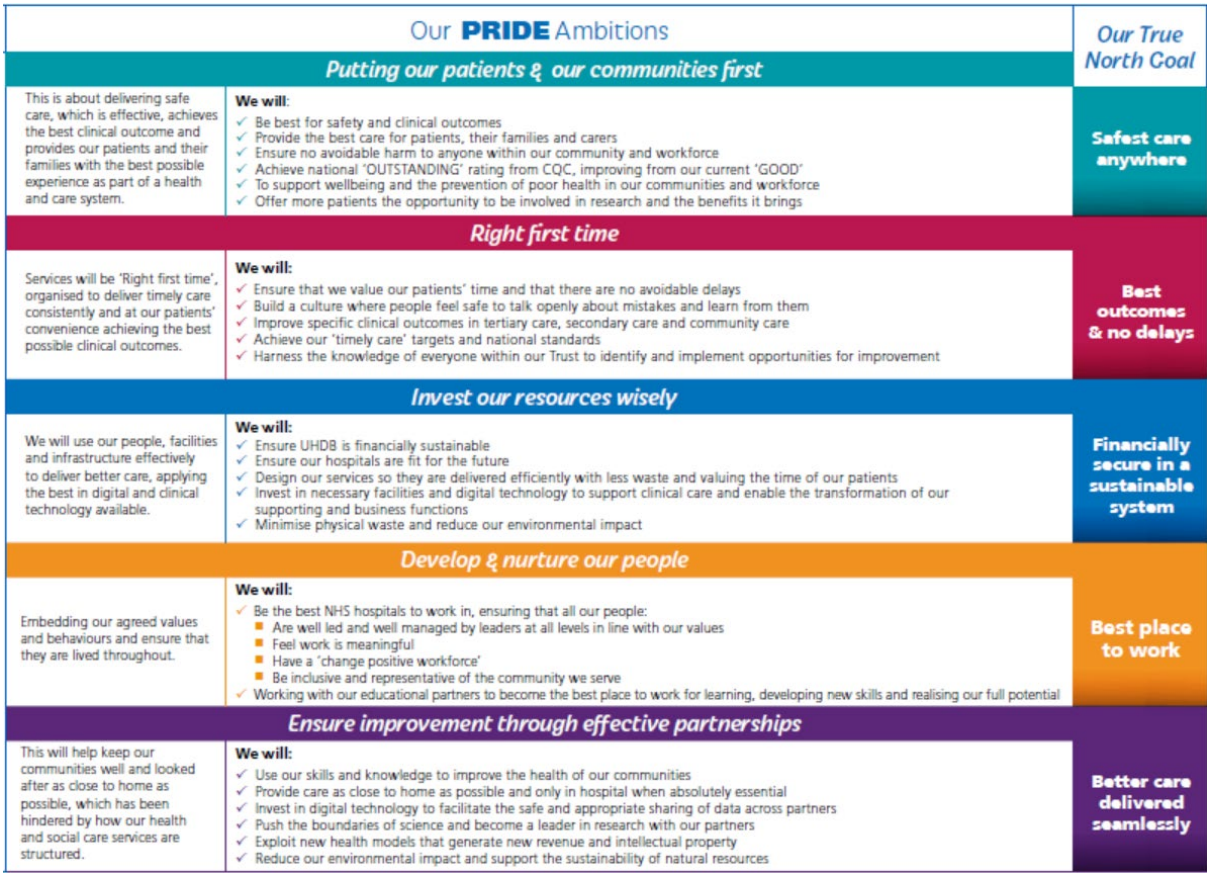
Our vision in full:
"Together we make a difference, we save lives and give excellent care to everyone who needs it. We will become the best place to work, learn and receive care in the NHS by applying the highest level of skill, knowledge and research."

When thinking about our How? we created a set of values and behaviours centred on Compassion, Openness and Excellence and a series of promises to our patients and each other.

We also set out some stretching goals, our what? These are shaped around our PRIDE ambitions:

- **P**utting our patients and our communities first.
- **R**ight first time.
- **I**nvesting our resources wisely.
- **D**evelop and nurture our colleagues.
- **E**nsuring improvement through effective partnerships.

Each PRIDE ambition has a 'True North' goal, which describes what we will continually strive towards, guiding our improvement work and decision making.



Our **PRIDE** Ambitions		Our True North Goal
Putting our patients & our communities first		
This is about delivering safe care, which is effective, achieves the best clinical outcome and provides our patients and their families with the best possible experience as part of a health and care system.	**We will:** ✓ Be best for safety and clinical outcomes ✓ Provide the best care for patients, their families and carers ✓ Ensure no avoidable harm to anyone within our community and workforce ✓ Achieve national 'OUTSTANDING' rating from CQC, improving from our current 'GOOD' ✓ To support wellbeing and the prevention of poor health in our communities and workforce ✓ Offer more patients the opportunity to be involved in research and the benefits it brings	**Safest care anywhere**
Right first time		
Services will be 'Right first time', organised to deliver timely care consistently and at our patients' convenience achieving the best possible clinical outcomes.	**We will:** ✓ Ensure that we value our patients' time and that there are no avoidable delays ✓ Build a culture where people feel safe to talk openly about mistakes and learn from them ✓ Improve specific clinical outcomes in tertiary care, secondary care and community care ✓ Achieve our 'timely care' targets and national standards ✓ Harness the knowledge of everyone within our Trust to identify and implement opportunities for improvement	**Best outcomes & no delays**
Invest our resources wisely		
We will use our people, facilities and infrastructure effectively to deliver better care, applying the best in digital and clinical technology available.	**We will:** ✓ Ensure UHDB is financially sustainable ✓ Ensure our hospitals are fit for the future ✓ Design our services so they are delivered efficiently with less waste and valuing the time of our patients ✓ Invest in necessary facilities and digital technology to support clinical care and enable the transformation of our supporting and business functions ✓ Minimise physical waste and reduce our environmental impact	**Financially secure in a sustainable system**
Develop & nurture our people		
Embedding our agreed values and behaviours and ensure that they are lived throughout.	**We will:** ✓ Be the best NHS hospitals to work in, ensuring that all our people: ▪ Are well led and well managed by leaders at all levels in line with our values ▪ Feel work is meaningful ▪ Have a 'change positive workforce' ▪ Be inclusive and representative of the community we serve ✓ Working with our educational partners to become the best place to work for learning, developing new skills and realising our full potential	**Best place to work**
Ensure improvement through effective partnerships		
This will help keep our communities well and looked after as close to home as possible, which has been hindered by how our health and social care services are structured.	**We will:** ✓ Use our skills and knowledge to improve the health of our communities ✓ Provide care as close to home as possible and only in hospital when absolutely essential ✓ Invest in digital technology to facilitate the safe and appropriate sharing of data across partners ✓ Push the boundaries of science and become a leader in research with our partners ✓ Exploit new health models that generate new revenue and intellectual property ✓ Reduce our environmental impact and support the sustainability of natural resources	**Better care delivered seamlessly**

In order to drive the delivery of Exceptional Care Together, we also published ten enabling strategies, each overseen by one of our PRIDE Improvement Groups.

The formal launch of our Strategy coincided with the COVID-19 pandemic, which has been the biggest challenge faced by the NHS in its history. We are incredibly proud of the dedication, courage and professionalism shown by colleagues in what can only be described as truly extraordinary circumstances.

In addition to our operational response, colleagues also demonstrated a true sense of ingenuity by truly transforming the way we provide care. As a result, we have been able to accelerate delivery of our strategic goals in some areas, including through joint work with partners. Examples include significantly reducing the number of delayed transfers of care through the introduction of the multi-agency Discharge Assessment Units on both acute sites and increased access to virtual outpatient appointments as well as clinics and diagnostics in the community.

Central to our Strategy is a commitment to contribute fully as a healthcare provider in the Integrated Care Systems (ICS) in Derbyshire and Staffordshire, driving the joint effort to transformation and integrate health and care services across our region, reduce health inequalities, improve the wellbeing and prospects of our population and prevent people from becoming ill where this is avoidable. This is a new direction, a new role for us as an acute hospital that will require a change to the way we work, sharing our clinical expertise across traditional boundaries to support colleagues working in Primary and Community care settings so that we can meet our communities' needs, keeping the population healthy whilst treating people when they do need acute care.

System Transformation

Our local integrated care system (ICS) is known as Joined Up Care Derbyshire (JUCD). It brings together 12 partner organisations and sets out ambitions and priorities for the future. All the organisations that provide health and care aim to work and plan much better together, focusing on new ways of working to:

1. Help keep people healthy.
2. Give people the best quality care.
3. Run services well and make the most of available budgets.

We also work closely with colleagues in the ICS in Staffordshire, known as Together We're Better. Like JUCD, the ICS brings several partners together to collectively design and delivery services in a truly integrated way. The high level goals are:

1. Helping our population live well, for longer, and supporting people to be as independent as possible so we can be there when needed.
2. Delivering care as close to home as possible, ensuring that experience of health and care is the best it can be.
3. Treating people rather than conditions and giving mental health equal priority to physical health.

During 2020, we have seen system working and collaboration mature significantly, fuelled by the COVID-19 pandemic, which saw personal and collective commitment to working together in the interests of our workforce, patients and communities.

Equally, there has been considerable learning from how we, as system partners, need to shape our governance going forward to ensure we lock-in new ways of working and remove barriers to partnership working.

Throughout the pandemic, the collective improvement resource across the system has been redeployed to focus on priority areas and pathways. These include;

1. The establishment of Discharge Assessment Units on both acute sites – multi agency teams supporting timely and effective discharge of patients to appropriate setting.
2. Instigating a robust PPE management and distribution process, ensuring all staff have the protective equipment during the pandemic
3. Supporting the roll out of virtual consultations across all our clinical specialties
4. Working with clinical and operational teams to reducing time for results following COVID-19 swabbing.
5. Capacity and process planning for the COVID-19 Vaccination Hub.

During the fourth quarter we have ensured that the Trust's improvement programme aligns to both the priorities for 2021-2022 across all PRIDE domains as well as ensuring that for the major improvement programmes (urgent care, outpatients, elective and cancer care) there is System alignment. The 2021-2022 Improvement Programme will play an integral role in the recovery of our clinical services on our journey to Exceptional Care Together.

As a Trust, we are members of the two ICS shadow / interim boards and other key groups that are responsible for setting the overall direction and/or ensuring delivery. For example, UHDB leads the system programme for urgent and emergency care

transformation, working with and coordinating partners in order to achieve a series of ambitious improvements for our patients.

The priority programmes build upon what people have told us about the changes they want to see, and opportunities identified through Right-care, Getting It Right First Time (GIRFT) and Model Hospital data analysis.

PRIDE Improvement Practice

UHDB is one of the eight "Vital Signs" Trusts and through its involvement in this programme has developed the PRIDE Improvement Practice, the method by which the Trust aims to deliver the commitments made in the Excellent Care Together Strategy.

The Trust's dedicated improvement resource was redeployed as part of its response to the pandemic but continued to focus on improvement. Reflection and learning from these experiences has been invaluable.

In preparation for 2021-2022 we have been working to ensure the Trust's improvement programme is built on solid foundations of strategic alignment, supportive leadership behaviours, technical skills and management systems, including a revised governance structure to ensure these processes align with the new ways of working.

Since the third quarter, the Trust Board have undertaken development sessions dedicated to the Improvement Practice and their role in it, the Executive Directors have received coaching and mentoring in its application, and a suite of other development programmes have also been developed, tested and readied in order to support the recovery of our clinical services in 2021-2022 and beyond.

Our University Hospital Status

Developing ourselves as a true learning and research organisation is fundamental to our approach at UHDB and this is a clear commitment in being a University Hospital.

To do this we will develop our teaching and research capability. We will share our learning as effectively as we can to attract the most innovative new staff and being part of the most exciting research is central to the development of our University Hospital status.

To do this we will develop a world class research centre which:

- Ensures the very best clinical trials unit maximising learning from as many of our interactions with patients as possible.
- Extends into new areas of research; organisational behaviour, preventative medicine, social sciences.
- Develops a reputation or academic rigour as demonstrated in our publications.
    - Best practice in managing cohorts of our population.
    - Leading research into surgical procedures.
    - Establishing the optimum standardised work around key surgical interventions including pre and post op care.
    - Supporting as many of our population with home or placed based care as we can.
- Shares our learning with our partners through our Integrated Care System.

We will also expand our teaching and training capability through working in partnership with supporting Universities and Technical colleges and other health and social care providers. This will:

- Design new teaching models to help our staff deliver new models of care including community.
- Innovate in teaching of junior doctors to share our learning through our improvement practice.
- Create exciting nursing opportunities
- Embed our local, national and international recruitment channels for the health systems in which we operate.

Engagement Meetings:
Over the last 12 months virtual monthly meetings have been held between the UHDB Corporate Leadership team and the East Midlands Inspection Team which has supported a high level of assurance being provided with regards UHDB's response to the COVID-19 pandemic as well as external support in a challenging period. These meetings have included regular updates on Nosocomial COVID-19 infection rates, development of the COVID-19 vaccination programme, Staff Wellbeing and the National pilot of the PSIRF process as key examples as well as providing an opportunity for all parties to identify areas of excellent practice or areas for improvement or concern.

These monthly meetings will continue during 2021 as they are beneficial to all parties.

Statement as to Disclosure to Auditors

It is confirmed that, for each individual who is a Trust Board Director at the time that the report is approved; so far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware and, the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

Income Disclosures

The Trust has met the requirement under Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purpose. Other income generated by the Trust was used to support the provision of our health services.

Remuneration Report

The Trust has two Committees that deal with remuneration:

- The Nominations and Remuneration Committee – A Trust Board Committee, comprising of all of the Trust's Non-Executive Directors. This Committee's primary responsibilities are to approve the appointment of the Executive Directors to the Trust Board and to review and agree the terms and conditions of those Executive Directors.
- The Appointments and Remuneration Committee this is a Committee of the Council of Governors. The purpose of this Committee is to consider the appointment of, and the fees payable to, the Trust Chair and the Non-Executive Directors of the Trust Board. In addition, the Committee is responsible for

setting the objectives for the Trust Chair, taking into consideration the views of the Trust Board, particularly the Chief Executive and the Non-Executives through the Senior Independent Director. It also receives an overview of the process of Non-Executive appraisal by the Chair.

Statement from the Chair

Statement of Policy - Executive Director terms and conditions are decided by the Nominations and Remuneration Committee, taking account of benchmarking reports on NHS executive salaries and conditions, and the financial circumstances relating to the Trust. Performance is assessed against agreed Trust, team and individual objectives.

All non-medical employees of the Trust, including senior managers, are remunerated in accordance with the nationally agreed NHS terms and conditions of employment. Medical Staff are remunerated in accordance with the national terms and conditions of service for doctors and dentists.

Methods of Assessment - The method of assessment of Executive Directors' performance is by individual appraisal, together with a report by the Chief Executive, to the Nominations and Remuneration Committee.

Remuneration - Remuneration of Executive Directors is subject to a combination of issues, specifically the performance of the Trust and the individuals themselves. In 2020-2021 Executive Directors received a 1.03% increase consolidated award, taking into account context and collective awards for other staff groups. The salaries of the Executive Directors are annually reviewed against national survey data.

The remuneration of the Executive Medical Director is split as detailed above between his direct medical service and his Executive Director role. Treasury guidelines were followed in relation to setting the salary for the Chief Executive for which ministerial approval was obtained on appointment.

The remuneration arrangements for both Executive and Non-Executive Directors, including the Chair, are disclosed in this report.

Dr Kathy McLean OBE
Chair
28 June 2021

Gavin Boyle
Chief Executive
28 June 2021

Remuneration Report

Service Contracts for Executive Directors, Senior Managers and Non-Executive Director

The service contract for the Chief Executive and Executive Directors is the contract of employment. This is substantive and continues unless terminated by notice. The notice period for termination by the Trust is six months and for termination by the Director is also six months. The contract does not provide for any other payment for loss of office, although does provide for compensation for early retirement and redundancy in accordance with the provisions in section 16 (16.12) of the Agenda for Change: NHS Terms and Conditions of Service Handbook.

	Female	Male	Grand Total
Chair	1	0	1
Executive Directors	3	5	8
*Non-Executive Directors	7	4	11
NExT Directors	1	1	2
**Very Senior Manager	0	7	7
All Other Staff	10,963	2,534	13,497
Grand Total	**10,975**	**2,551**	**13,526**

** Graham Bragg left 30 April 2020 and Stephen Goode left 11 February 2021.*

*** Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts June 2013. Very Senior Manager (VSM) is defined as - those who report directly into the Executive Directors and those who have responsibility for budgets staff, assets or significant areas of work.*

The service contract for Non-Executive Directors is not an employment contract. Non-Executive Directors are appointed for an initial term of up to three years and are eligible to be considered for further terms of appointment up to the shorter of a maximum of three terms or nine years.

The service contract for the NExT Directors is not an employment contract. NExT Directors are appointed a year-long programme.

Directors' Appointment and Contracts

All Executive Directors of the Trust Board have permanent contracts of employment, and are not subject to fixed term arrangements, as indicated within the Foundation Trust Code of Governance. Non-Executive Directors including the Trust Chair, are subject to fixed term appointments. The Executive Director appointments are as follows:

		Board commencement	Notice Period
Gavin Boyle	Chief Executive	7 March 2016	6 Months
Simon Crowther	Executive Director of Finance and Performance	28 September 2020	6 Months
Cathy Winfield	Executive Chief Nurse	1 May 2013	6 Months
Dr Magnus Harrison	Executive Medical Director	1 July 2018	6 Months
Sharon Martin	Executive Chief Operating Officer	1 August 2016	6 Months
Amanda Rawlings	Executive Director of People and Organisational Development	2 March 2020	6 Months
Peter Moore	Executive Director of Strategy and Improvement	23 July 2018	6 Months
Duncan Bedford	Executive Managing Director	1 July 2018	6 Months

Future Policy Table; Executive Directors

The Remuneration Strategy which underpins the Senior Management Remuneration Policy is subject to detailed discussion and consideration. This will include identifying the impact of each component on strategic objectives including performance management through regular appraisals.

Our Remuneration Strategy comprises three elements:

- A pay point that is benchmarked against similar roles in similar sized NHS organisations;
- Cost of living pay rises that are in line with other groups of staff in the NHS; and
- In respect of Agenda for Change staff, in line with national agreements, the assumption is one of progression unless an individual is subject to performance measures.

How this operates	How this supports the short and long term strategic objectives of the Trust	Maximum that can be paid	Framework used to assess performance and performance measures that apply	Provisions for recovery or withholding of payments
This is set out within the Remuneration Strategy, agreed with the Trust's Nominations and Remuneration Committee on 7 July 2015.	The strategy is against a key set of principles outlined below: • Achievement of team objectives • Achievement of individual objectives • objectives are based on key items identified at the outset of each year from the "Plan on a Page" as determined by the Annual Plan	5% of overall Executive Directors earnings (non-recurrent and non-pensionable)	Appraisal and overall organisational performance	Provision is made for termination of the contract without notice in certain circumstances.

Non-Executive Directors

Component

The non-executive directors (including the Trust Chair) were paid a single uniform rate in line with NHSE/I's guidance on aligning the remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts published November 2019 (The "Remuneration Guidance"). A supplementary payment was payable to the Senior Independent Director, Chair of the Quality and Performance Committee, Chair of the People and Culture Committee, Chair of the Finance and Investment Committee and Chair of the Audit Committee as recognition of their designated extra responsibilities in accordance with the Remuneration Guidance.

Additional Fees or Other Remunerations

There are no additional fees or other remuneration.

The Council of Governors' Appointments and Remuneration Committee

The purpose of this Committee of the Council of Governors is to consider and make recommendations to the Council of Governors on the appointment of and the salaries payable to the Trust Chair and the Non-Executive Directors of the Trust Board. In addition, the Committee is responsible for setting the objectives for the Trust Chair, taking into consideration the views of the Trust Board, particularly the Chief Executive and the Non-Executives through the Senior Independent Director.

During the course of the year the Committee was involved with the appointment and re-appointment of Non-Executive Directors, reviewing Non-Executive Directors' salaries based on adjustments of responsibility in line with the National Guidance, and receiving an update from the Chair on Non-Executive Director appraisals.

Statement of Policy

Non-Executive Director remuneration levels are approved by the Council of Governors on recommendation of the Appointments and Remuneration Committee. During the year, the Committee reviewed the salaries of the Non-Executive Directors and Chair to ensure that they met the guidelines outlined in NHS England and NHS Improvement on the remuneration for the Non-Executive Directors and Chairs of NHS Trusts including Foundation Trusts.

Methods of Assessment

The Appointments and Remuneration Committee sets and reviews the objectives for the Trust Chair, taking into consideration the views of the Trust Board, particularly the Chief Executive and the Non-Executives, as well as key external stakeholders, through the Senior Independent Director. The Appointments and Remuneration Committee also receives an update from the Chair on Non-Executive Director appraisals. Both issues are then reported to the Council of Governors. The Council of Governors approves the Chair's annual objectives.

Use of External Advisors

The Trust's two remuneration committees have not used external advisors to provide advice or services on remuneration matters.

Pension Arrangements

Details relating to Executive Director's pension rights are set out in the Remuneration section.

Off Payroll Engagements

The Trust's Policy is to avoid the use of off-payroll arrangements for engaging highly paid staff. The only event in which they are used, is where there is a compelling need to import expertise that the Trust does not currently have and where for whatever reasons it is not feasible to engage someone as a direct employee. Any off-payroll engagements are subject to appropriate senior level scrutiny and approval.

For all off-payroll engagements as of 31/03/2021, for more than £245 per day and that last for longer than six months	Number
No. of existing engagements as of 31 Mar 2021	0
Of which, the Number which have existed:	
less than one year at the time of reporting	0
between one and two years at the time of reporting	0
between two and three years at the time of reporting	0
between three and four years at the time of reporting	0
four or more years at the time of reporting	0

Audit of the Remuneration Report

The following tables have been subject to the External Audit in combination with the Annual Accounts process.

Salary and Pension Entitlements of Senior Employees

There were no mutually agreed resignations or any other remuneration including taxable benefits/performance related bonus for either financial year. For the purpose of the Annual Report and Accounts, Senior Managers (Directors) have been determined to be the Chief Executive and the Executive Directors who directly report to them.

All information concerning pensions has been provided by the NHS Pension Service. Amounts shown in the employer's contribution to the stakeholder pension column relate to the Trust's contribution to non-NHS pension schemes.

Name	Assignment	Real increase in pension at age 60 (bands of £2500)	Lump sum at age 60 related to real increase in pension (bands of £2500)	Total accrued pension at age 60 at 31st March 2021 (bands of £5000)	Lump sum at aged 60 related to accrued pension at 31st March 2021 (bands of £5000)	Cash Equivalent Transfer Value at 31st March 2021	Cash Equivalent Transfer Value at 31st March 2020	Real Increase in cash Equivalent Transfer Value	Employers contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
Gavin Boyle	Chief Executive	0	0	0	0	0	0	0	0
Kevin Downs	Executive Director of Finance and Performance (until 30.09.20)	0	0	0	0	0	0	0	0
Simon Crowther	Executive Director of Finance and Performance (from 28.09.20)	N/A	N/A	55-60	125-130	963	N/A	N/A	10.57
Cathy Winfield	Executive Chief Nurse	0	0	0	0	0	0	0	0
Sharon Martin	Executive Chief Operating Officer	0	0	0	0	0	0	0	0
Peter Moore	Executive Director of Strategy and Improvement	2.5 - 5	0	25 - 30	0	324	276	24.84	19.19
Duncan Bedford	Executive Managing Director	0	0	0	0	0	0	0	0
Magnus Harrison	Executive Medical Director	0	0	0	0	0	0	0	0
Amanda Rawlings	Executive Director of People and Organisational Development	0 - 2.5	-2.5 – -5	35- 40	60 - 65	666	608	30.31	16.71
Krishna Kallianpur	Acting Executive Chief Nurse (until 04.10.20)	N/A	N/A	–50 to 55	160 - 165	1224	N/A	N/A	6.59
Neil Pease	Executive Director of Workforce and Organisational Development (until 31.12.2019)	0	0	0	0	0	0	0	0

Gavin Boyle, Magnus Harrison, Sharon Martin, Duncan Bedford and Cathy Winfield have all opted out of the pension scheme.

Pension Restructuring Payment

The Trust has put in place a financially neutral model approach for colleagues who are breaching lifetime or annual tax allowances in relation to pension taxation. Individuals who are affected may apply for a discretionary Pension Restructuring Payment. This payment is equal to the employer contribution made to the NHS Pension Scheme, paid net of employer's National Insurance contribution and other income tax treatments. The Chief Executive, several Executive Directors and 25 Consultants have had a pension restructuring payment approved by the Trust's Remuneration Committee.

Name	Assignment	Note	Salary (bands of £5000) 31-Mar 2021 £000	Salary (bands of £5000) 31-Mar 2020 £000	Pension Related Benefits (bands of £2500) 31-Mar 2021 £000	Pension Related Benefits (bands of £2500) 31-Mar 2020 £000	Total (bands of £5000) 31-Mar 2021 £000	Total (bands of £5000) 31-Mar 2020 £000
Gavin Boyle	Chief Executive	1	260 - 265	255 - 260	N/A	N/A	260-265	255 - 260
Kevin Downs	Executive Director of Finance and Performance (until 30.09.20)	1	75- 80	165-170	N/A	N/A	75 - 80	165 - 170
Simon Crowther	Executive Director of Finance and Performance (from 28.09.20)	2	75 - 80	0	N/A	N/A	75 -80	0
Cathy Winfield	Executive Chief Nurse	1	135 - 140	155-160	N/A	N/A	135 - 140	155 - 160
Sharon Martin	Executive Chief Operating Officer	1	170 - 175	170 - 175	N/A	N/A	170 - 175	170 - 175
Peter Moore	Executive Director of Strategy and improvement		130 - 135	125-130	52.5 - 55	87.5 - 90	185 - 190	215 - 220
Duncan Bedford	Executive Managing Director	1	140 - 145	140 - 145	N/A	N/A	140 - 145	140 - 145
Magnus Harrison	Executive Medical Director	1	235 - 240	230 - 235	N/A	N/A	235 - 240	230 - 235
Amanda Rawlings	Executive Director of People and Organisational Development		125 - 130	10 -15	40 - 42.5	42.5 - 45	165 - 170	50 - 55
Krishna Kallianpur	Acting Executive Chief Nurse (until 04.10.20)	2	45 - 50	25- 30	N/A	N/A	45 - 50	25 - 30
Neil Pease	Executive Director of Workforce and Organisational Development (until 31.12.2019)	2	0	120 - 125	0	0	0	120 - 125

Notes:
1 - Not a member of the NHS Pension Scheme.
2 - Full data not available to complete Pension details.

Director Expenses

A total of £1,851 was paid as expenses to Executive and Non-Executive Directors in 2020-2021 (£22,291 in 2019-2020). The number of directors who held office during 2020-2021 was 22 (2019-2020 was 17).

Directors Remuneration and Other Benefits

	2020-2021 £000	2019-2020 £000
Directors Remunerations	1,590	1,410
Employers Contributions to Pension Scheme	64	24
	1,654	1,434

There were no advances, credits granted or guarantees entered into for any directors of the Trust, by the Trust or any subsidiary of the Trust. There are no directors benefits accruing under other defined benefit pension schemes (2019-2020 nil).

Average Monthly Number of Persons Employed (WTE)

	2020-2021	**2019-2020**
Administration and Estates	2,827	2,447
Ambulance Staff	0	2
Healthcare Assistants and other support staff	2,639	2,895
Healthcare science staff	292	299
Medical and Dental	1,532	1,409
Nursing, midwifery and health visiting learners	0	2
Nursing, midwifery and health visiting staff	3,579	3,483
Scientific, therapeutic and technical staff	1,131	1,127
Other	10	0
Charity	11	10
Subsidiaries	55	7
Total Staff Employed (UHDB, Charity and Subsidiaries	**12,076**	**11,681**

Median Remuneration

The median salary of the Trust was £30,615 (£28,358 in 2019-2020). The mid-point range for the highest paid Senior Manager was £262,500 (£257,500 in 2019-2020) which is 8.57 times the median salary (9.08 times in 2019-2020).

The median salary has been established by taking the full-time equivalent salary of all employed in post on 31 March 2021 together with the full-time equivalent salary of all bank and agency staff who worked for the Trust on 31 March 2021.

Total Cost of Persons Employed (WTE)

	Group	
	2020-2021 £m	2019-2020 £m
Registered nursing, midwifery and health visiting	161.275	146.717
Healthcare scientists and scientific, therapeutic and technical staff	62.942	77.767
Support to clinical staff	66.232	43.776
Medical and dental staff	178.079	161.243
Non-clinical staff	91.310	84.856
Charity Staff	0.918	0.973
Subsidiary staff	1.194	0.729
Total Substantive Staff	**561.948**	**516.061**
Registered nursing, midwifery and health visiting	16.389	15.051
Healthcare scientists and scientific, therapeutic and technical staff	1.001	1.263
Support to clinical staff	1.645	8.716
Medical and dental staff	4.968	5.139
Non-clinical staff	1.098	1.858
Total Bank Staff	**25.100**	**32.027**
Registered nursing, midwifery and health visiting	2.064	3.361
Healthcare scientists and scientific, therapeutic and technical staff	1.687	2.384
Support to clinical staff	7.960	0.039
Medical and dental staff	4.245	10.015
Non-clinical staff	0.733	0.297
Total Agency Staff	**16.688**	**16.096**
Pension Costs - met by NHS England	23.604	22.324
Less recoveries in respect of staff costs netted off expenditure	(1.208)	(3.865)
Total Employee Costs	**626.133**	**582.643**

Consultancy Expenditure

Consultants have been used by the Trust where specific expertise is required which is not available in-house or where the capacity to complete a time limited exercise does not exist. No consultancy has been used for Executive level appointments. The Trust has spent £1.462 million (2019/2020 - £1.811 million) on consultancy during the year.

Dr Kathy McLean OBE
Chair
28 June 2021

Gavin Boyle
Chief Executive
28 June 2021

Staff Engagement Report

Staff Survey

The NHS Staff Survey is recognised as an important way of ensuring that the views of staff working in the NHS inform local improvements and are fed into local and national assessments of quality, safety, and delivery of the NHS Constitution. The results were published by the Staff Survey Co-ordination Centre (Picker Institute Europe) on behalf of NHS England and NHS Improvement on 11 March 2021.

A total of 12,875 of our colleagues were eligible to complete survey and 6,804 returned the survey, (a full census) giving the Trust a response rate of 53% which compares well with 47% in 2019 and with the 45% average for acute and acute & community trusts in the 2020 survey. The NHS Staff Survey results are therefore an important way of understanding how it feels to work at UHDB.

As in 2019, and following a national guideline, the Trust's survey in 2020 did not include RoE staff (Retention of Employment staff not paid by the Trust, but who retain employment rights, including most cleaners, porters and ward hosts/hostesses at Royal Derby Hospital).

Scores for each indicator, together with those for acute and acute & community trusts nationally are shown below. These latest national NHS Staff Survey (2020) results show that the Trust is average for staff engagement, which measures staff motivation, involvement and advocacy.

Theme	2020		2019		2018	
	Trust	Acute and acute & community trusts	Trust	Acute trusts	Trust	Acute trusts
Equality, Diversity and Inclusion	9.1	9.1	9.1	9.0	9.1	9.1
Health and Wellbeing	6.0	6.1	5.7	5.9	5.9	5.9
Immediate managers	6.7	6.8	6.7	6.8	6.7	6.7
Morale	6.2	6.2	6.1	6.1	6.2	6.1
Quality of appraisals	Not asked in 2020		5.4	5.6	5.2	5.4
Quality of care	7.5	7.5	7.4	7.5	7.4	7.4
Safe environment – bullying and harassment	8.1	8.1	8.0	7.9	8.0	7.9
Safe environment - violence	9.3	9.5	9.4	9.4	9.4	9.4
Safety culture	6.7	6.8	6.7	6.7	6.7	6.6
Staff engagement	7.0	7.0	7.1	7.0	7.1	7.0
Team working	6.3	6.5	6.4	6.6	-	-

Key Outcomes

UHDB colleagues continue to recommend the organisation as a place to work and receive care, and believe that care is our top priority. All three measures continue to be above the relevant national average.

The survey themes include equality, diversity and inclusion, staff engagement, and bullying and harassment. On these ten main themes, UHDB scored level with or within 1-2% of the national average. We improved slightly in health and wellbeing, quality of care and bullying and harassment, but did less well in 'safe environment – violence' and team working.

Comparisons with Previous Year

The national picture for this year's staff survey demonstrates that UHDB scores are better than average for three out of 11 themes, worse than average for five themes, and average for the remaining three themes.

The themes where UHDB are above average are equality, diversity and inclusion, staff engagement and safe environment - bullying and harassment.

Questions in which the Trust is **most improved** from the last survey:

Q2c Time often passes quickly when I am working

- ✓ **Q4f Have adequate materials, supplies and equipment to do my work.**
- ✓ **Q10c Don't work any additional unpaid hours per week.**
- ✓ **Q19e Appraisal; Organisational values definitely discussed.**
- ✓ **Q19d Appraisal/performance review: definitely left feeling work is valued (also most improved in 2018 survey**).

The Trust is below average on the themes of: health and wellbeing, immediate managers, quality of appraisals, quality of care, team working. These will be considered for action planning along with key questions from the themes.

The **least improved** questions from the last survey are:

- **Q4d Able to make improvements happen in my area of work.**
- **Q4c Involved in deciding changes that affect work.**
- **Q10b Don't work any additional PAID hours per week for this organisation**
- **11c Not felt unwell due to work related stress (also least improved in 2018 survey).**
- **Q22b Receive regular updates on patient/service user feedback.**

Survey Themes - Better Than Average Performance

Strengths for the Trust include:

- ✓ **Staff Engagement score is better than average at 7.1 compared to 7.0 (although statistically this has deteriorated).**
- ✓ **Scores for recommending the Trust as a workplace and as a place to receive treatment/care are better than average, as is the score for care of patients being the organisation's top priority.**
- ✓ **Our above average themes are: equality and diversity, staff engagement and safe environment - bullying and harassment.**

NHS People Plan

The NHS People Plan was published on 30 July 2020 and includes a programme of initiatives to support the growth and development of the NHS Workforce, with national and local actions to be undertaken, to enable services to recover and transform as we emerge from the pandemic.

The UHDB People Strategy is aligned to the NHS People Plan to ensure that UHDB is consistent in our approach to the objectives, and progress reviewed in line with the emerging priorities. The strategy outlines five strategic objectives below, that the Trust is committed towards in moving forward, and supports the overarching strategy of Exceptional Care Together. This will ensure that our people are at the heart of our plans for recovery and progress can be demonstrated.

- **Attract** - develop our flexible employment offer to attract the best people.
- **Retain** - develop an organisational culture where our people are proud to work.
- **Equality, Diversity and Inclusion** - develop a positive, person centred culture for everyone.
- **Engage, Involve and Lead Our People** - ensure that everyone feels they have a voice.
- **Develop for the Future** - ensure that we put our people at the heart of everything we do.

During 2020-2021, the Trust actively responded to the COVID-19 pandemic by working collaboratively with various other teams in a number of tangible ways:

- The Trust was an early implementer of antibody testing and asymptomatic lateral flow self- testing.
- Increased focused on wellbeing offer to support colleagues through the pandemic including daily isolation calls to colleagues who were unwell with COVID-19, shielding and/or Clinically Extremely Vulnerable (CEV).
- Establishment of a deployment hub to facilitate the movement of staff to areas of service need where other services had been downturned or changed as a result of the pandemic, along with wraparound support for up skilling and training.
- Rolled out COVID-19 vaccination programme across the Trust, including establishing a Hospital Vaccination Hub in partnership in December 2020. 92% of colleagues vaccinated as of 31 March 2021.
- Working in partnership with UHDB charity, donations were distributed to every member of the UHDB team during 2020.

Staff Engagement Approach

The Trust has used findings from the national NHS Staff Survey to inform its approach to staff engagement, including using the local staff survey at points during the year to explore the component parts of staff engagement and to further understand colleagues' wellbeing needs.

Throughout 2020-2021, the Trust has continued to provide a variety of forums for colleagues, moving the majority of these online due to the pandemic:

- **Ask the Executives:** a weekly live stream giving colleagues a regular opportunity to hear from the Executive team and ask questions.
- **Trust Board Brief:** a streamed live event on the intranet, Facebook and Microsoft (MS) Teams, containing an update from the Executive Team about key issues arising in the Trust, creating the opportunity for colleagues to submit questions.
- **Trust wide Blog**s from the Chair and Chief Executive regular communication to all colleagues.
- **#TeamUHDBForum**: established as a key action to include colleague and executive members as well as creating a task and finish group to explore bullying and harassment.
- **Engaging** with our staff-side partnership colleagues on a range of issues, including discussing ideas within the new #TeamUHDBForum
- **Freedom to Speak Up** drop-in sessions have taken place in person as well as virtually and continued working with champions
- **Thank you cards** for colleagues of #TeamUHDB who have gone above and beyond and made a difference during COVID-19.
- **Regular updates** were communicated to colleagues and leaders throughout the pandemic to ensure compliance with up to date Public Health England (PHE) guidance.
- Dedicated email address established to help advise/support managers and colleagues during the pandemic, including, COVID-19 testing, hr advice hub, risk assessments and deployment hub.
- **Leadership Community Forums** have taken place virtually for mid-band and senior leaders.
- **Schwartz Rounds** face to face forums in which staff can reflect on their experiences of providing healthcare.
- **Virtual engagement groups** held for BAME and CEV (Clinically Extremely Vulnerable) groups of colleagues with Executive Directors.
- **Wellbeing champions network** consisting of 230 multi-disciplinary colleagues established through monthly virtual networking meetings.
- **Patient Experience Champions** workshops held virtually, including a 'smile behind the mask' initiative, enabling further engagement with over 280 colleagues. There are now over 880 Patient Experience Champions.
- **Lead Ambassador** colleagues working together to promote compassionate leadership, supporting the Organisational Development (OD) agenda.

Future Priorities and Targets

The national staff survey action plan for 2021 includes:

- Providing a safe work environment free of bullying and harassment, violence and aggression to ensure psychological safety for all colleagues. The emphasis on embedding UHDB values underpins the work of the bullying and harassment focus group, which has explored bullying in the wider context of respect and civility.
- High priority focus on colleague health, safety and wellbeing during recovery and restoration of services. Employee wellbeing has been a top priority, supported by the recruitment of the wellbeing champions across the Trust. On-going work to improve feedback as a result of incident reporting may have contributed to the improved result in the staff survey for this particular question.
- Equality, diversity and inclusion - supporting our staff networks to thrive, looking at the barriers people encounter and developing inclusive recruitment approaches.
- Developing our leadership and management support offer inclusively to ensure personal development and growth for all colleagues.
- Supporting colleagues to actively contribute towards making improvements at work. The Pride Improvement Practice, through its emphasis on creating the right environment and culture throughout the organisation for continuous improvement, will also be a key contributor in shaping how we achieve our ambitions, in the spirit of the values.
- The Trust plans to continue surveying colleagues in 2021-2022 through the new People Pulse system, as a way of gathering regular monthly feedback in line with many other NHS Trusts nationally.
- Gathering friends and family test data and satisfying the new ministerial requirement to gather staff engagement measures on a quarterly basis.
- The Executive Team have undertaken a 360-degree feedback exercise in a move to embed the Trust values and behaviours.

Theme	Description of action/scope	How this will be achieved	Necessary outcomes	Time-line
Providing a safe environment	**Bullying and harassment**	• All colleagues to receive a booklet setting out our expectations and how to access support • Training to be launched • Champions in place to support colleagues	Colleagues feel supported within a culture of respect and civility	**From May 2021**
	Violence and aggression	• Zero tolerance campaign • Introduce and embed the NHS Violence Prevention and Reduction standards	Fewer incidents of violence against colleagues	**Start in Mar 2021**

Theme	Description of action/scope	How this will be achieved	Necessary outcomes	Time-line
	Psychological safety	• Develop and launch person centred people management – revamp our policies and practices	Colleagues feel safe to speak up in a supportive culture and experience inclusive and person-centred leadership	**Start April 2021**
Employee Wellbeing	**Wellbeing support**	• Evolve the wellbeing offer and support for all colleagues • Provide fast track access to talking therapies/debriefing and decompression support for teams • Enable colleagues to rest and recuperate • Roll out Wellbeing conversations	Colleagues feel supported to be healthy, safe and well at work	**From Feb 2021**
Inclusive place to work	**Staff Networks**	• Grow and develop our staff networks	Improved engagement and experience for all our colleagues; strong and engaging staff networks that support the organisation to challenge and change the way we operate	**By June 2021**
	Inclusive Recruitment	• End to end review of recruitment and on-boarding review process	A wide breadth of job opportunities to attract people with the right values and behaviours from a diverse range of backgrounds	**By Sept 2021**
	Career progression and development	• Engaging and effective appraisal process • Reverse and co-mentoring programme • Development and career support	Meaningful appraisals and enhanced and inclusive career progression and development, leading to improved retention.	**By Sept 2021**

Theme	Description of action/scope	How this will be achieved	Necessary outcomes	Time-line
Supporting our leaders and managers	**Regular check in and engagement**	• Regular engagement and support	Better colleague engagement and support leading to better patient care	**By Sept 2021**
	Comprehensive development support	• Equip all our leaders and managers to develop themselves and their teams	Better colleague development and engagement	**By Sept 2021**
Supporting our colleagues to make improvements in their work area	**Pride Improvement Practice**	• Enable our colleagues to utilise the PRIDE Improvement tools	Colleagues have the tools to enable them to improve their work areas	**By June 2021 From March 2021**

Workforce Race Equality Standard (WRES)

WRES is to help local, and national, NHS organisations to review their data against the nine WRES indicators, to produce action plans to close the gaps in work experience between White and Black and Ethnic Minority (BME) staff.

The Trust's annual WRES data has been reviewed and approved by the Trust Board and has been published on the Trust website, in line with Public Sector Equality Duty. This applies to all NHS Trusts and is overseen by NHS England.

- The 2020 figures show no change in the percentage of colleagues from ethnic minority groups experiencing harassment, bullying or abuse from patients, relatives or the public, alongside a slight reduction of 2% for white colleagues.
- Both figures for 2020 are slightly worse than the average. With harassment from colleagues, the score for colleagues from ethnic minority groups is 30%, which is 6% worse than white UHDB colleagues (24%).
- The percentage of colleagues from ethnic minority groups experiencing discrimination at work from managers/team leaders or other colleagues has increased by 2%, and is well above (worse than) levels reported by white colleagues.
- The belief in fair career progression scores is the same in 2019 for colleagues from ethnic minority groups and white colleagues, but there remains a negative gap between colleagues from ethnic minority groups and white colleagues for 2020, of fourteen percentage points

WRES Indicators		UHDB 2020	Average (median) for acute and acute community trusts 2020	UHDB 2019
% of colleagues experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	White	26%	25%	28%
	BME	29%	28%	29%
% of colleagues experiencing harassment, bullying or abuse from staff in last 12 months	White	24%	24%	25%
	BME	30%	29%	30%
% of colleagues believing that the organisation provides equal opportunities for career progression or promotion	White	89%	88%	89%
	BME	75%	73%	75%
In the last 12 months have you personally experienced discrimination at work from manager/team leader or other colleagues?	White	6%	6%	6%
	BME	18%	17%	16%

Workforce Disability Equality Standard (WDES)

The WDES is a data-based standard that uses a series of measures taken from the 2020-2021 financial year, to help improve the experiences of colleagues with a long term condition or illness in the NHS. It applies to all NHS Trusts and is overseen by NHS England. The Trust must ensure to publish a report annually in line with the Public Sector Equality Duty.

Experiencing harassment (from public/managers/colleagues) if you are a disabled colleague, remains at higher rates than for non-disabled colleagues, but reporting harassment/abuse has improved from the previous year (as it has for non-disabled colleagues).

- There is a negative gap of believing career progression is fair between disabled and non-disabled colleagues, although this has closed slightly.
- There is an improvement in disabled colleagues feeling pressure from their manager to attend when unwell and this is now in line with the average for disabled colleagues.
- Satisfaction with feeling their work is valued has slightly improved for disabled colleagues and making adequate adjustments has improved by 6%.
- Year on year however, staff survey data across the metrics continues to indicate that colleagues with a disability are more likely to have a worse experience than non-disabled colleagues for many parts of working life.
- Concerns identified from the staff survey data will be fed into Trust's Equality, Diversity and Inclusion group, in order for actions to be determined to address the issues and to draw up an action plan.

WDES Indicators 2020			Colleagues with an LTC or illness		Colleagues without an LTC or illness		Average for colleagues with an LTC or illness	Average for colleagues without an LTC or illness
			2020	2019	2020	2019		
Indicator 4a (Q13a-c)	% of colleagues who experienced at least one incident of bullying, harassment, or abuse from …	Patient, service users, relatives	32%	32%	25%	27%	31%	25%
		Managers	16%	17%	9%	10%	19%	11%
		Colleagues	29%	29%	18%	19%	27%	18%
Indicator 4b (Q13d)	% of colleagues saying that they reported their last incident of bullying, harassment or abuse		47%	44%	48%	45%	47%	46%
Indicator 5 (Q14)	% of colleagues that believe their organisation provides equal opportunities for career progression		83%	81%	88%	88%	80%	86%
Indicator 6 (Q11e)	Experiencing pressure from your manager to attend work when unwell		33%	37%	25%	24%	33%	23%

Equality Diversity and Inclusion Statement

UHDB is committed to promoting equality, diversity and inclusion and meeting its legal obligations under the Equality Act 2010 and the Public Sector Equality Duty (PSED). Our executive lead for Equality, Diversity, Inclusion and Human Rights is the Executive Director of People and Organisational Development. The Trust aims to create a safe and inclusive environment and to actively demonstrate our commitment to inclusion and fairness for all. UHDB recognised the importance of engagement of colleagues, and our local communities, the Trust involves a diverse range of groups in decision making and to address health inequalities.

The Trusts Inclusion Policy incorporates the Trust's Statement of Equality, Diversity and Human Rights and Inclusion Charter, and establishes the principles of equality of opportunity and human rights within the organisation. The Trust operates an Equality, Diversity and Inclusion Group, accountable to People and Culture Improvement Group, to monitor the Trust's performance in relation to equality, diversity and inclusion for colleagues and patients.

UHDB continues to work with the national equality performance framework the Equality Delivery System 2 (EDS2), the NHS Improvement and NHS England Workforce Race Equality Standards (WRES), the Workforce Disability Equality Standard (WDES), and Gender Pay Gap reporting, and Public Sector Equality Duty compliance. The UHDB WRES, WDES and Gender Pay Gap and PSED compliance is reported on the Trust website here: UHDB Equality and Diversity Website.

Commitment

The Trust demonstrates its on-going commitment through having achieved Disability Confident Employer status, which helps the organisation to make the most of the talents that disabled people bring to the workplace, and to successfully recruit and retain disabled people and those with long term health conditions. A Disability Employee Support Network has been formed to engage and empower disabled colleagues with shared backgrounds to join together.

The Trust is also signed up to the Mindful Employers Charter, which is for employers who are positive about Mental Health. We are committed to creating a supportive and open culture, where colleagues are able to talk about mental health conditions and confident that they will be properly supported and offered reasonable adjustments when required. As an employer, we have made an on-going commitment to offer increased support to our colleagues.

Gender Pay Gap

It is a legal requirement that the Trust publishes their Gender Pay Gap data and shows progress against any identified inequalities on an annual basis, in-line with the regulations linked to the Equality Act 2010.

The gender pay gap describes the difference between the average earnings of all the women in an organisation compared with the average earnings of all the men in that organisation. This is not the same as equal pay, which is about ensuring men and women doing the same or comparable jobs are paid the same. Our Trust is committed to addressing any imbalance in our workforce and recognises that the gender pay gap information provides a useful measure of any variations between the pay to men and women. The Gender Pay Report for UHDB is available on the Trust's website.

Equality, Diversity and Inclusion Strategy

During 2020-2021 the Trust launched its Equality, Diversity and Inclusion (EDI) Strategy following wide engagement with a range of colleagues. This strategy supports the delivery of the Exceptional Care Together Strategy and People Strategy which outlines aspirations to make UHDB the best place to work in the NHS with a diverse and inclusive workforce, where everyone counts. To support the EDI Strategy, the Trust has completed the following actions during 2020-2021:

- During 2020, 2,778 colleagues (94% compliance) completed the Trust's Equality, Diversity and Inclusion mandatory training.
- UHDB established executive sponsored colleague networks for: Age; Black, Asian and Minority Ethnic; Disability; Lesbian, Gay, Bisexual and Transgender+; Gender; Religion or Belief; and Armed Forces, enabling people with shared background and experience to benefit from shared experience and peer support, and ensuring diverse representation in decision making.

- Board development session undertaken in autumn 2020 to consider new ways of thinking about Equality Diversity and Inclusion and set objective to accelerate the pace of change within the organisation.
- UHDB self-assessed against the Disability Confident Employer status and continue to operate and recruit to the recognised standards.
- Engagement with Project Search programme, offering work placement opportunities to young adults with learning disabilities and autism, which resulted in two individuals securing employment at UHDB.
- The Trust was successful in a bid for £20,000 WDES funding for D/deaf colleagues to research the most suitable and effective PPE.
- The Chair and Chief Executive are committed to opposing racism, and have written to all colleagues to pledge their dedication for the Trust to become more inclusive. This has included the 'no place for racism' campaign, which took place in response to a colleague's report of their experience of racism at work.
- Participation in the NHSE NExT Director programme, to recruit Non-Executive Directors from underrepresented groups, resulting in appointment of two UHDB NExT Directors.
- Participation in the Equality, Diversity and Inclusion Collaborative working with partners across Derbyshire's Integrated Care System to advance equality, including a collaborative recruitment event and on-going engagement in the new Equality Delivery System upon its launch.
- The Trust took the opportunity to reflect on its EDI position by completing a self-assessment against the Maturity Matrix by the Good Governance Institute, which was developed in partnership with health and social care colleagues from the West Midland.
- In response to COVID-19 the Trust has evolved its approach to engagement with colleagues to reflect the changing ways teams were working. Early indications about the adverse effect upon ethnic minority groups was recognised by the Trust, then further insight was gained from the Public Health England report 'Disparities the risk and outcomes of COVID-19' - which concluded that the virus poses a disproportionate risk and impact to individuals who are from Asian, Caribbean and Black Ethnicities as well as other risk factors. The Trust has developed a range of COVID-19 specific actions over the last year to support colleagues, including:
    - Risk assessments and listening events for colleagues with protected characteristics- including Asian, Caribbean and Black Ethnicities, and Mediterranean heritage, and shielders and clinically extremely vulnerable (CEV) with the Board conducted via MS Teams, along with early provision of vitamin D supplements.
    - Priority access to COVID-19 antibody testing and COVID-19 vaccine for CEV and Asian, Caribbean and Black Ethnicities, and Mediterranean heritage colleagues.
    - Additional information and support in relation to the COVID-19 vaccine for Asian, Caribbean and Black Ethnicities, and Mediterranean heritage and CEV colleagues.

The Trust wishes to expand upon its Equality Diversity and Inclusion strategy over the coming year, including fully embedding and delivery of the strategy, the specific actions include:

- Further embedding of the EDI strategy in our WRES, WDES and Gender Pay Gap (GPG) action plans, including colleagues engagement to identify development areas.
- Reciprocal mentoring is being established with mentors from our staff networks from protected characteristics to mentor our Executive Directors.
- Members of our diverse colleague networks will be participating in empowerment workshop as part of confidence building and career development.
- Align Trust Equality Diversity and Inclusion strategy to regional Race Equality and Inclusion Strategy.
- Colleague networks engagement to be expanded to include a variety of methods of engagement including social media and dedicated email addresses.

Equality, Diversity and Inclusion Policy

The Trust has a key responsibility for ensuring that embedding equality, diversity and Inclusion is central to Trust policy making, employment practices and delivering our aspiration of Exceptional Care Together. All colleagues are required to undertake regular training in Equality, Diversity and Inclusion, and understand the principles surrounding this. We want to be recognised for our positive, inclusive and person-centred culture that respects and understands peoples' difference and the contribution they make to delivering patient care.

We demonstrate and publish our progress towards meeting our legal requirements by embedding the Equality Delivery System 2, and this is monitored through the People and Culture Committee. This contains our equality priorities as identified from our reporting on Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and the Gender Pay Gap and enables the Trust to address issues relating to equality, diversity and inclusion for colleagues.

This approach also ensures that the Trust ensures compliance with the Dignity at Work Policy; Recruitment Policy and the Developing Our People Policy by adopting procedures that prevent discrimination against current and future employees in all aspects of their employment journey with the Trust, as well as ensuring that training, career development, and promotion opportunities are equally available to the Trust's disabled employees. These policies are formally consulted upon and agreed in conjunction with our staff side colleagues.

The Trust follows the social model of disability and not the medical model of disability, by taking all reasonable steps to make adjustments to existing posts, sourcing deployment opportunities to more suitable posts and removing barriers that put disabled workers at a disadvantage.

The following tables provide a high level summary of the diversity of the UHDB workforce.

	Female	Male	Grand Total
Chair	1	0	1
Executive Directors	3	5	8
Non-Executive Directors	7	4	11
NExT Directors	1	1	2
Very Senior Managers (VSM)	0	7	7
All Other Staff	10,963	2,534	13,497
Grand Total	**10,975**	**2,551**	**13,526**

Age	Headcount
<= 19	55
20 - 29	2,268
30 - 39	3,430
40 - 49	3,186
50 - 59	3,314
60 - 69	1,222
70+	48
Total	**13,523**

Ethnicity	Headcount
Asian	1,623
Black	429
Mixed	244
Not Specified	188
Other Ethnic Group	631
White British/Irish	9,900
White Other	508
Total	**13,523**

Gender	Headcount
Female	10,973
Male	2,550
Total	**13,523**

Disabled	Headcount
No	10,679
Not Declared	2,329
Prefer Not To Answer	4
Unspecified	4
Yes	507
Total	**13,523**

Slavery and Human Trafficking Statement 2020-2021

The Trust supports the Government's objectives to eradicate modern slavery and human trafficking and is committed to ensuring that there is no modern slavery or human trafficking in any part of the organisation's business, in so far as is possible, to requiring our suppliers hold a corresponding ethos.

To identify and mitigate the risks of modern slavery and human trafficking, the Trust has established robust recruitment procedures and complies with national NHS Employment Checks and CQC standards. All external agencies providing staff have been audited and approved through the NHS CPP (Collaborative Procurement Partnership) or HTE (Health Trust Europe) National Staffing Framework Agreements or they have issued a Human Trafficking Policy making explicit the standards expected of all their suppliers.

When procuring goods and services, the Trust adheres to the Standard NHS Terms and Conditions for the Supply of Goods and Provision of Services and will ensure via Supplier Warranties and the standard Selection Questionnaire, its supplier base and associated supply chain, have taken the necessary steps to ensure modern slavery is not taking place.

The Trust's policies on Safeguarding Adults and on Safeguarding Children incorporate modern slavery. In addition, the Trust policies on Dignity at Work, Grievance and Disputes Resolution and Freedom to Speak Up give a platform for employees to raise concerns about poor working practices.

Modern slavery is also referenced within the Safeguarding Children and Adult mandatory training, which applies to all staff, as appropriate to their roles and responsibilities. Further guidance for staff coming into contact with cases of modern slavery is available on the Trust intranet.

Counter Fraud

The Local Counter Fraud Specialist (LCFS) is an individual accredited by the NHS Counter Fraud Authority (NHSCFA) LCFSs and accountable to the Executive Director of Finance and Performance. The LCFS conducts investigations into referrals of fraud, bribery and corruption, and applies a range of sanctions against those responsible for committing fraud against NHS resources in order to safeguard the Trusts control framework from fraud. Work is often conducted in parallel with HR Business Partners and Employee Relations colleagues and other agencies involved with crime prevention.

The LCFS ensures strategic governance is applied and compliance with the NHS Counter Fraud Authorities Standards for Providers by completing annual and risk based work in four areas; Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account. The quality assurance programme comprises two main processes of assurance and engagement.

The assurance process includes an annual self-review against the standards, which is conducted by organisations and submitted to the NHSCFA, and an engagement process as a means of evaluating an organisation's effectiveness in dealing with the risks it faces.

This work specifically includes the review of all policies which are either directly or indirectly affected by fraud risks to ensure there is a suitably robust control framework in place.

Health and Wellbeing of Our Workforce

Occupational Health

The last year has seen Occupational Health (OH) transform from a responsive service built on historical demand and activity planning to become a flexible support service that adapts to the unplanned and changing demands placed on the NHS by COVID-19 infection.

Alongside workforce changes, transition plans have been developed for recommending facilitating and supporting adaptive, flexible and safe work environments. This is complemented by supportive interventions by OH, condition management and rehabilitation specialists.

The OH Team will continue to develop and flex to support colleagues at the point of need through outreach and to recover from ill-health and injury in a timely manner from the longer term effects of COVID-19 infection. The transition back into safe and meaningful work for those who have been isolated due to clinical vulnerability to severe COVID-19 infection will also be smoothed.

Emerging Needs and Service Developments

During 2020, significant workforce changes have taken place with the introduction of the post of Assistant Director, Health Safety and Wellbeing to lead all three services as well as identifying a Non-Executive Director as Wellbeing Guardian role at Trust Board level.

In addition, several other appointments were made to the overall structure to meet the growing demands of these services in supporting our people;

- Occupational Physicians to provide peer consultations for medics concerned about their COVID-19 risk to maintain patient safety and staffing levels for critical services.
- Occupational Health Physician with psychiatry training to support the increasing number of staff experiencing mental ill-health and illness,
- Mental Health social worker to provide occupational support and coaching,
- Clinical Nurse Specialists from other specialties across the Trust.
- Specialist Occupational Health Nurse Practitioners to provide:
    - Shielding reviews for all vulnerable colleagues prior to the end of shielding on 1 August 2020.
    - Re-assessment of vulnerable colleagues from 1 November 2020 when the shielding criteria changed.
    - Management referral consultations and advice to enable the in-house team to restore core OH services, including immunisation for blood borne viruses and statutory health surveillance.

Leadership and development have been evidenced by the following:

- **Flu Vaccination Programme** which successfully reached 81.68% of colleagues.

- **Expansion of the Mental Wellbeing Outreach Service** to include skin integrity and sleep consultation outreach.
- **Restructure of OH Mental Health Team** to provide outreach and immediate referral for triage assessments and mental health intervention.
- **Development of the Vulnerable Worker Risk Reduction Assessmen**t with the Deputy Chief Nurse.
- **Implementation of Vitamin D** profile testing for symptomatic BAME colleagues with counselling by an OH physician for abnormal results prior to referral to GP for follow up, and expanded offer of testing to all colleagues with low mood.
- **Introduction of a rehabilitation pathway** for colleagues absent for more than 14 days with COVID-19 Provision of redeployment for specialist shielding colleagues unable to find meaningful employment
- **Integration of MSK and mental wellbeing functional capacity assessment,** with targeted rehabilitation into the OH consultation model, to provide a one-stop shop for colleagues to recover and rehabilitate for work with tailored reasonable adjustments in place.

Wellbeing Services

Wellbeing services at UHDB have undergone transformation during 2020-2021, with 9,985 colleagues being directly supported following investment in resources, representing over 75% of the total trust population.

In response to the pandemic, a number of responsive services have been delivered including the COVID-19 rehabilitation pathway, providing a direct single point of rapid access to respiratory, musculoskeletal, psychological, chronic fatigue services. This encompasses onward support and guidance; appropriate triaging and signposting for colleagues requiring post-COVID-19 support. UHDB has been upheld nationally as a leader of best practice across NHSE/I for colleague wellbeing within the NHS in relation to COVID-19 rehabilitation pathways.

The Wellbeing Team established a position of strength in terms of the wellbeing “Brand” and placed the Wellbeing Team Twitter and Facebook pages as the most followed and interacted with, second only to the main UHDB Trust channels.

Effective contract management of CiC has enabled the Trust to offer an enhanced Employee Assistance Programme (EAP) offer. The ‘live chat’ functionality that is embedded in the trust intranet has been developed along with a robust system of reporting to evidence impact, and delivering additional bespoke sessions. This year CiC have supported 3,629 colleague contacts and the counselling model of support has demonstrated a significant average GHQ (clinical measure) improvement score of 46% from the 1,200+ counselling sessions delivered.

There are now **four key** ways to keep up to date with the support available at UHDB.

- **‘YOUR Support’ posters** – One-page overviews, displayed digitally, in staff areas, and widely distributed to colleagues so they have access to resources of support when required.
- **‘YOUR Self-Care’ pack** – An information pack of local and national resources, discounts and services available for colleagues to explore such as evidence based wellbeing factsheets including - Skincare, PPE, supporting colleagues, looking after your team, Vitamin D, Financial Wellbeing, and Physiotherapy Rehabilitation, and Health and Wellbeing conversation documents and guides.

- **'YOUR Activities' Timetable** – A range of Trust wide activities and support sessions available for colleagues to attend each week; physical activity, cultural, craft and support/information sessions running each week.
- **'YOUR Wellbeing Champion'** – There are 100's of champions across the Trust ready to support. Colleagues can speak to their Local Wellbeing Champion or join the network themselves. A network of over 220 Wellbeing Champions across the Trust have been developed, to create signposting and in the moment support to their colleagues locally, as well as shaping the development of the services offered. This ensures the offer is representative of the staff voice, and provides invaluable capacity in cascading wellbeing support, training and guidance.

Established a series of additional specialist interest groups within the Wellbeing Champion team that help diversify roles, create a sense of belonging to UHDB and enhance the employee offer. These include: a Running club, cycling club, menopause café, men's mental health, impact of racism working group, wellbeing for junior doctors, and support for colleagues in transient roles.

UHDB have also been integral in the national steering groups around culturally sensitive wellbeing support, the formation of national guidance on wellbeing conversations and part of the steering groups currently revising the NHS national framework for wellbeing.

Sickness Absence

The sickness absence data for the Trust is outlined below:

	FTE Days Available	FTE Days Recorded Sickness	% of Recorded Days Available
2019-2020	3,801,454	167,048	4.90
2020-2021	3,777,875	183,256	4.85

Turnover

Turnover data for the Trust is outlined below:

	Total Leavers	Average Headcount	% Turnover
2020-2021	1,127	12,344	9.13

Exit Packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000		**26**	**26**
£10,000 – £25,000		**2**	**2**
£25,001 – £50,000			**0**
£50,001 – £100,000			**0**
£100,000 – £150,000			**0**
£150,001 – £200,000			**0**
Total number of exit packages by type	**0**	**28**	**28**

	Agreements Number	Total Value of Agreements
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	27	£133,757.22
Exit payments following Employment Tribunals or court orders	1	£20,000.00
Non-contractual payments requiring HMT approval *	0	0
Total	28	£153,757.22

**non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary*

Representing the views of colleagues/representatives – Consultative Arrangements

The Trust is highly committed to being open and transparent with colleagues with regard to involving them in decision-making and keeping them informed of changes and developments across the organisation, ensuring a highly engaged workforce.

In response to COVID-19, the Workforce Escalation Group was introduced, which meet three times each week to ensure that any critical decisions relating to our Workforce are discussed and implemented as quickly as possible, ensuring that colleagues are kept informed of how this may affect them.

The Trust uses a range of well-established forums for consulting with and engaging our colleagues and their representatives as follows:

- Our monthly Trust Joint Partnership Forum, led by the Executive Director of People and Organisational Development which provides for regular formal engagement of staff side colleagues and represents the main forum for collective bargaining on policies and pay within the Trust.
- Our Organisational Change Group which is a partnership between management and union members to facilitate discussion and exploration of all proposed organisational changes to ensure fair and equitable organisational change processes and consistency of approach across the organisation. The Executive Medical Director and Executive Director of People and Organisational Development meet with members of the Medical trade unions on a bi-monthly basis to discuss matters specific to medical colleagues, including terms and conditions of service.
- The Senior Trade Union representatives also meet with the Director of HR Operations and Workforce Integration on a weekly basis to discuss matters of shared interest with a view to identifying appropriate solutions.

Trade Union Facility Time

The required disclosures are set out in Schedule 2 to The Trade Union (Facility Time Publication Requirements) Regulations 2017. All NHS foundation trusts are within scope of the requirements.

Full details of the Trade Union Facility Time disclosures are shown in the table below which shows the Facility Time information as reported in September 2020.

Number of employees who were designated as union officials during the relevant period	57 employees
Percentage of Trade Union facility time	0% 28 employees
	1% – 50% 27 employees
	51% - 99% 2 employees
Percentage of total pay bill spent on facility time	0.03%

Provision of Information on Matters of Concern

Information relating to colleagues across the Trust is communicated through weekly communications entitled 'Making A Difference' as well as communications to #TeamUHDB and regular blogs from the Trust Chair and Chief Executive. In addition, we have also introduced a monthly "Ask the Executives" Forum which is streamed across the trust and allows colleagues the opportunity to raise any workforce related issue directly with our key decision makers.

At UHDB, colleagues are able to speak to their Divisional HR Business Partners or members of the Employee Relations (ER) team, if they have concerns relating to patient care, colleagues or other matters within the Trust that they feel they need to speak out about. There are also two members of the Freedom to Speak Up team at UHDB who can offer support.

The Trust also has a number of committed and passionate Speak up Champions who may have previous experience themselves through speaking out, and are also a source of confidential advice, signposting and support for colleagues.

Employee Relations

The central Employee Relations (ER) Team provides the Divisional and Corporate structures with support, advice and guidance for all employee relations casework across the Trust. This covers advice and monitoring of a wide range of employee relations subjects relating to conduct, grievance, appeals, capability, short and long term sickness, dignity at work, terms and conditions, raising concerns as well as employment tribunals.

The Team structure and approach ensures consistency and resilience in service delivery with improved team oversight of the caseload. The ER Team are led by the Head of Employee Relations who works closely with Divisional HR Business Partners and their Divisional Management Teams.

As the significant impact of COVID-19 was realised during March 2020 a decision was made to aim to close down casework as quickly as possible through using fast track

and informal resolutions where this could be considered appropriate rather than severely delay cases being resolved.

The table below illustrates the volume of the Employee Relations Team's work based on data during 2020-2021.

Case Type	Volume of Cases UHDB
Short Term Sickness (numbers of staff with 4+ episodes of sickness in rolling 12 months)	210 Average per day
Long term sickness (Numbers of staff off sick over 4 weeks)	340 Average per day
Disciplinary Investigations	59 new cases
Grievances (formal)	26 new cases
Dignity at Work	21 new cases
Employment Tribunal / ACAS Early Conciliation Cases	13 cases during the year

Learning and Education

Due to COVID-19 social distancing restrictions, during 2020, training delivery has been converted to either e-learning or virtual, to limit face to face training only when necessary to ensure maintenance of competency levels and high quality patient care. Trust Induction has been revolutionised through a facilitated Microsoft Teams format with an increased the emphasis on local induction to ensure new starters develop a belonging to the organisation.

This has only been made possible due to the adaptability of the Learning Management System providing the Trust with a highly responsive learning platform, on which training requirements can be manipulated according to the Trust's needs. Despite training being temporarily paused due to COVID-19, the flexibility in learning opportunities has maintained the overall training compliance at 85%.

Achievements can be demonstrated as follows:

Education Strategy

- Development of the Education Strategy which was launched in December 2020, and one of the enabling strategies supporting the delivery of the 'People Strategy' and 'Exceptional Care Together'. This was the first time that the organisation had developed a Trust-wide Education Strategy encompassing medical education, clinical education and non-clinical education. Work is now continuing to develop the strategy's Delivery Plan in which the success of this strategy can be measured.
- The enabling strategies have been developed from this strategy and support the delivery of the emerging plans of our partners in Staffordshire and Derbyshire, as well as meeting the requirements of the Long Term Plan for the NHS.
- Trust Induction has been revolutionised through a facilitated Microsoft Teams format with an increased the emphasis on local induction to ensure new starters develop a belonging to the organisation as well as training being converted to either e-learning or virtual to limit face to face training only when necessary.

Healthcare Support Workers (HCSW)

- Throughout 2020, recruitment was supported in order to address the vacancy gap for HCSW via the apprenticeship and experienced HCSW routes.
- Collaborating with NHSEI to rapidly support the recruitment, on-boarding and on-going support for new HCSWs without prior health or social care experience. Funding support has been secured from NHSEI for this project resulting in the vacancy gap being reduced significantly.
- Learning from this recruitment process will inform an improvement project, led by the Executive Chief Nurse going forward, and in response to feedback two experienced HCSWs have been recruited via the flexible bank to provide clinical and pastoral support for our new recruits.

Apprenticeships

- The UHDB Apprenticeship Levy is approximately £2.4m per annum, with over £1m per annum being used to fund apprenticeship programmes; a significant increase on 2019-2020 despite the impact of COVID-19.
- In spite of restrictions imposed by COVID-19, the Apprenticeship and Vocational Training Team continue to expand the apprenticeship portfolio, with 400-450 apprentices across UHDB, and some now completing the delayed End Point Assessment.
- Health Care Support Worker apprenticeships have been increased to support the narrowing of the vacancy gap, along with an increase in higher level apprenticeships (level 7) including MSc Nursing.
- We continue to collaborate with partners across Derbyshire and Staffordshire to optimise use of the Levy by gifting to non-levy-paying organisations.

International Nurse Recruitment and Support

- International nurse recruitment and OSCE support continues to grow with cohorts of 16-20 nurses from the Philippines each month.
- Several successful funding bids were submitted to NHSEI to support this programme and have exceeded the targets.
- The results of the OSCE programme demonstrates a very high first attempt pass rate, and a programme of post-registration support has been developed and well received.

Continuous Professional Development / Workforce Development Fund Monies

The annual training needs analysis for 2020-2021 was completed in November 2019, prior to the COVID-19 pandemic and the cancelation of external training and education providers' offer.

Initial funding plans were amended to maximise their use within tight restrictions, and we succeeded in using or allocating the majority of training funds, with the remaining underspend returned to Health Education England (HEE).

Study leave for all learners is temporarily suspended for 2020-2021 and is anticipated to resume in April 2021.

Organisational Development (OD)

- The OD offer is based on the Trust's values and behaviours, supporting leadership development, well-functioning teams, developing and engaging colleagues through a coaching approach and meaningful appraisals.
- Throughout 2020 and on-going, staff surveys are utilised to assess the temperature of the Trust, as well highlighting areas that need more intensive support in collaboration with other Trust-wide support services.
- We continue to use digital platforms, collaborating with colleagues on important topics and shape the development of strategies as well as facilitate the UHDB staff forums taking staff engagement across the divisions.
- Our focus is to increase internal coach numbers and develop the coaching offer including clinical coaching with patients and reciprocal coaching with for other NHS organisations.
- Managerial skills continue to be developed in order to lead in a coaching style, and offer Leadership Circles providing a safe online space to share colleagues feel and think about the future together. This also includes leading the Schwartz Rounds, which now take place across the Trust.

National Centre of Rehabilitation Education (NCORE)

- Throughout the pandemic, the Trust has demonstrated its adaptability in converting where possible, a blended delivery of face to face and virtual programmes.
- The Trust continues to be nationally recognised for its provision of training events, and this will help expand the offer and meet delegate's needs for the local, national and international health economy.




Statement of Compliance with the NHS Foundation Trust Code of Governance

University Hospitals of Derby and Burton NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

An NHS Foundation Trust is required to provide a specific set of disclosures in its Annual Report to meet the requirements of the Code of Governance. The disclosures are set out below, using the Code of Governance reference where applicable.

Fit and Proper Person Regulations

The Trust has taken steps to assure itself that all Executive Directors and Non-Executive Directors have been assessed according to the Trust's policy and standards, in line with regulations, to ensure compliance with Fit and Proper Person Regulations and are considered to be fit and proper individuals to carry out their roles.

Responsibility for Preparing the Annual Report and Accounts

The Trust Board is responsible for the preparation of the Annual Report and Accounts. The Trust Board consider that the Annual Report and Accounts 2020-2021, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Review of Internal Control

The Trust Board has conducted a review of the effectiveness of the system of internal control, informed by the work of internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework.

Council of Governors

The roles and responsibilities and Standing Orders for the Council of Governors meetings are set out in the Trust's Constitution. Decisions reserved to the Council of Governors are set out in Section 3 of the Trust's Scheme of Delegation. The Council of Governors is unable to veto or over-rule decisions made by the Trust Board or be involved in the day to day running of the Trust, setting budgets, staff pay or other operational matters.

Structure, Council Members and Attendance
In 2020 – 2021, the Council comprised a total of 41 seats, 22 seats are elected to represent public constituencies, 10 seats are elected as Staff Governors, and 9 seats are Appointed Governors. Due to the COVID-19 pandemic, the elections due to be held in June 2020 were not held and the terms of office of certain Governors expired, thereby leaving vacant seats.

The members of the Council of Governors who served during the year and their attendance at Council of Governor meeting is shown below. Under the Trust's Constitution the Council of Governors is required to meet a minimum of three times a year, however during 2020-2021 given the agenda of items to be considered by the Council the Council met bi-monthly.

Council of Governors Meeting Attendance and changes during the year

Name	Constituency	Term of Office	Number of Meetings attended
Public			
	Amber Valley		
Andrew Loades		Until June 2020 *	7 out of 7
Maura Teager		Until June 2020 *	7 out of 7
	Dales and South Derbyshire		
Catherine Devonport		Until June 2020 *	5 out of 7
Nick Seed		Until June 2020	2 out of 2
Peter Steedman		30 June 2022	7 out of 7
	Derby City		
Val Haylett		Until June 2020 *	6 out of 7
Anne Hinks		30 June 2021	7 out of 7
Anne Johnson		Until June 2020	2 out of 2
Beverley Martin		30 June 2022	7 out of 7
Rita Merrison		30 June 2021	6 out of 7
Ranjit Singh-Dhanda		Until June 2020 *	7 out of 7
	East Staffordshire		
John Anderson		30 June 2022	4 out of 7
Graham Lamb		30 June 2021	7 out of 7
David Lindop		Until June 2020	0 out of 2
Louise Walker		30 June 2021	5 out of 7
	Erewash		
Michael Flude		Until June 2020 *	7 out of 7
	Lichfield and Tamworth		
Pam Dhanda		30 June 2021	4 out of 7
Denise Baker		30 June 2021	6 out of 7
Barry Hunt		30 June 2022	7 out of 7

	North West Leicestershire and Rest of England		
Vacant Seat			
Appointed Governors			
Cllr Linda Chilton	Derbyshire County Council	Until June 2020 and re-appointed December 2020	3 out of 4
Elaine Day	Staffordshire Community and Voluntary Service	Until August 2020	3 out of 3
Cllr Bernard Peters	Staffordshire County Council	30 June 2021	7 out of 7
Dr Merryl Watkins	Derby and Derbyshire CCG	30 June 2022	5 out of 7
Prof Judith West	University of Leicester	30 June 2022	2 out of 7
Cllr Evonne Williams	Derby City Council	30 June 2022	4 out of 7
Michael Mudzamiri	Derbyshire Community and Voluntary Service	Until June 2020	0 out of 2
Prof Raheela Khan	University of Nottingham	30 June 2023	6 out of 7
Staff Governors			
Alison Booth	Royal Derby Hospital	Until June 2020	1 out of 2
Rob Bradley	Royal Derby Hospital	Until June 2020	0 out of 2
Mr Amit Goyal	Royal Derby Hospital	Until June 2020	0 out of 2
Dr Samantha Mills	Royal Derby Hospital	30 June 2021	2 out of 7
Anne Woodhouse	Royal Derby Hospital	30 June 2021	4 out of 7
Benjamin Smith	London Road Community Hospital	30 June 2021	6 out of 7
Amanda Scott	Queen's Hospital Burton	30 June 2021	0 out of 4
Mrs Susan Williams-Jones	Queen's Hospital Burton	30 June 2021	7 out of 7
Joy Stretton	Samuel Johnson Community Hospital/ Sir Robert Peel Community Hospital	30 June 2022	4 out of 7

* As from 1 July 2020 these governors were non-voting members of the Council of Governors and were invited to attend to the meetings to maintain continuity in the interim period prior to new governors being elected due to the 2020 elections being deferred as a result of the COVID-19 pandemic.

The Chair and Chief Executive attend all meetings. Other Executive Directors attend as required, the Non-Executive Directors who are Committee chairs attend the meetings to provide the Committee assurance reports and other Non-Executive Directors are also invited to attend.

Council of Governors' Training and Development

A wide range of training continued to be provided throughout the year virtually both internally and externally that covered a broad range of topics including quality, workforce and finance. Training for the Governors is managed by the Corporate Governance Team and the sessions are delivered by Trust Directors and senior staff. Governors are also encouraged to attend external training provided by NHS Providers and to sign up to their regular briefings. Slide packs from training sessions are distributed to all Governors.

Governors also have bi-monthly workshop sessions which focus on areas of knowledge and development where senior staff present on key topics as requested by the Governors. In addition to these workshops others have been held on particular topics to enhance understanding.

The Trust subscribes to NHS Providers and circulates training and development material to Governors and gives the opportunity for Governors to attend their regional and national events which are allocated to the Trust. The Trust will continue to work with and support Governors in carrying out their role.

Council of Governors Register of Interests

A Register of Interests relating to the Council of Governors is regularly updated and maintained, and is available for inspection in the Corporate Governance Department, Trust Headquarters, Level 5, Royal Derby Hospital, Uttoxeter Road, Derby DE22 3NE and on the Trust's web-site.

Process for the Appointment of the Chair and Non-Executive Directors

The Trust has in place arrangements covering the process for the appointment of the Chair and Non-Executive Directors. These arrangements are defined in the Trust's Constitution and cover the following responsibilities:

- The Trust Board will identify the balance of individual skills, experience and knowledge it requires at the time a vacancy arises for the Non-Executive Directors (including the Chair). They will draw up a job description and person specification for each new appointment.
- Under the Trust's Constitution, the Council of Governors can re-appoint the Chair or Non- Executives for a second term of office without the need for open competition. When open competition is applicable, appropriate candidates will be identified by a Nominations Committee through a process of open competition, which will present a shortlist of potential candidates for consideration by the Appointments and Remuneration Committee appointed by the Council of Governors.
- The Nominations Committee will comprise the Chair (or Vice-Chair, unless they are standing for appointment, in which case another Non-Executive Director when a Chair is being appointed) and two Governors from the Council of Governors Appointments and Remuneration Committee (one staff, one public). The Chief Executive shall be entitled to attend and speak at the meetings of the Nominations Committee and the Committee shall take into account the Chief Executive's views.
- The Council of Governors' Appointments and Remuneration Committee will have responsibility for handling all further aspects of the recruitment process. When interviewing, the Appointments and Remuneration Committee will include the Chief Executive, the Chair, or the Vice Chair, if the Chair cannot attend the meeting or is standing for appointment, unless the Vice Chair is standing for appointment, in which case the Chair or another Non-Executive Director. An external assessor can attend to provide advice only.
- The Appointments and Remuneration Committee will select a short list of candidates and will make recommendations to the Council of Governors who shall appoint the Non-Executive Directors.
- The Council of Governors shall not appoint any candidate not shortlisted or recommended by the Appointments and Remuneration Committee.
- Any re-appointment of a Non-Executive Director shall be subject to a satisfactory appraisal carried out in accordance with procedures which the Council of Governors has approved.
- The recruitment campaign for the appointment of the last non-executive was run in-house.

Process for the Termination of the Chair and Non-Executive Directors
The Trust has in place arrangements covering the process for the termination of the Chair and Non-Executive Directors. These arrangements are defined in the Trust's Constitution. The Council of Governors at a general meeting shall remove the Chair of the Trust and the other Non-Executive Directors. Removal of the Chair or another Non-Executive Director shall require the approval of three-quarters of the members of the Council of Governors.

The Council of Governors' Membership Group
The Membership Group consists of ten members and is primarily concerned with membership activities and membership communication and development. The membership group met seven times during 2020-2021, discussing the Annual Members Meeting, promotion of membership, membership engagement rules and considering opportunities to engage with their constituents.

The Council of Governors Governor Engagement Group (previously known as the Core Regulations Working Group)
This Group provides assurance to the Council of Governors for the submission of official commentary to the Care Quality Commission. The Group carries out detailed audits of clinical areas and reports to NHS Improvement any actions arising out of the audits.

Elections to the Council of Governors
Elections normally take place on an annual basis and newly or re-elected Council representative take up their appointment with effect from 1 July. However due to the Covid-19 pandemic, the Governor elections due in 2020 were deferred for 12 months.

Nominated Lead Governor
Under existing NHS Improvement guidance, all Foundation Trusts are required to provide details of a Nominated Lead Governor. Mrs Maura Teager was elected by the Council of Governors to be the Lead Governor. The role of the Nominated Lead Governor is defined by NHS Improvement in Appendix B to the NHS Foundation Trust Code of Governance (published July 2014).

Governors' Expenses

The following table represents the amounts paid in expenses to Governors to support their undertaking of the Governor role.

Governor	2019-2020	2020-2021
Andrew Loades	£1,161.14	£19.09
Beverley Martin	£194.15	£0.00
Catherine Devonport	£93.84	£0.00
Barry Hunt	£559.60	£0.00
Susan Williams-Jones	£72.49	£0.00
Maura Teager	£1041.61	£0.00
Michael Flude	£12.00	£0.00
Nick Seed	£136.47	£0.00
Rita Merrison	£155.10	£0.00
Joy Stretton	£139.11	£0.00
Anne Johnson	£433.28	£0.00
Valerie Haylett	£332.34	£0.00
Elaine Day	£970.17	£0.00
Graham Lamb	£289.96	£0.00
Cathy Brown	£17.00	£0.00
Pam Dhanda	£226.54	£0.00
David Lindop	£378.32	£0.00

Membership

The Trust membership is defined into two categories, Staff membership and Public membership.

Staff Membership
All staff (on a permanent contract or a contract of over 12 months) are automatically made members of UHDB, unless they decide to opt out. The number of staff opting-out of membership has been very small. At the end of March 2021, there were 13,686 staff members.

Public Membership
The minimum age for public membership is 16 and members must live within the defined areas as listed in the Trust's Constitution. As at the end of March 2021, there were 14,260 public members.

Membership Constituencies
Public membership has decreased from 15,078 at the beginning of April 2020 to 14,260 by the 31 March 2021. Staff membership has increased from 13,021 at the beginning of April 2020 to 13,686 by 31 March 2021. Total membership has decreased from 28,099 at the beginning of April 2020 to 27,946 by 31 March 2021.

The overall Membership position as at 31 March 2021, by constituency is as follows:

	31 March 2020	31 March 2021
Amber Valley	1,346	1,270
Derbyshire Dales and South Derbyshire	2,449	2,308
Derby City	4,912	4,696
East Staffordshire	3,075	2,902
Erewash	802	765
Lichfield and Tamworth	1.413	1,316
North West Leicestershire and the Rest of England	1,047	981
Out of Trust Area	34	22
Staff	13,021	13,686
Total membership	**28,099**	**27,946**

Public Membership Analysis
Public membership can be analysed as follow:

Public Constituency	Number of Members	
	31 March 2020	31 March 2021
Age (years):		
0 – 16	17	2
17 – 21	168	158
22 +	14,245	13,491
Unknown	648	609
Total	**15,078**	**14,260**

Ethnicity:		
White	11,748	11,061
Mixed	70	70
Asian or Asian British	751	743
Black or Black British	210	206
Other	35	32
Unknown	2,264	2,148
Total	**15,078**	**14,260**

Gender:		
Male	5,527	5,184
Female	9,467	8,994
Unknown	84	82
Total	**15,078**	**14,260**

Membership Development
Recruitment of members continues with all Governors being encouraged to participate in recruitment and engagement activities.

Members' Events
Due to the COVID-19 pandemic it has not been possible for the Trust to undertake its usual Health Information Talks. The Trust did however continue to engage with members via UHDB Lite, Trust Board meetings held in public and Council of Governor meetings which were delivered virtually by Microsoft Teams.

The Annual Members' Meeting held each September can be attended by all members and is a valuable opportunity for the Trust Board, and the Governors to understand the views and concerns of the members. The Membership Office continues to work with the Communications Office and the Engagement Office on opportunities to involve members. This year our Annual Members' meeting was held virtually in September 2020 via Microsoft Teams, which proved to be a success.

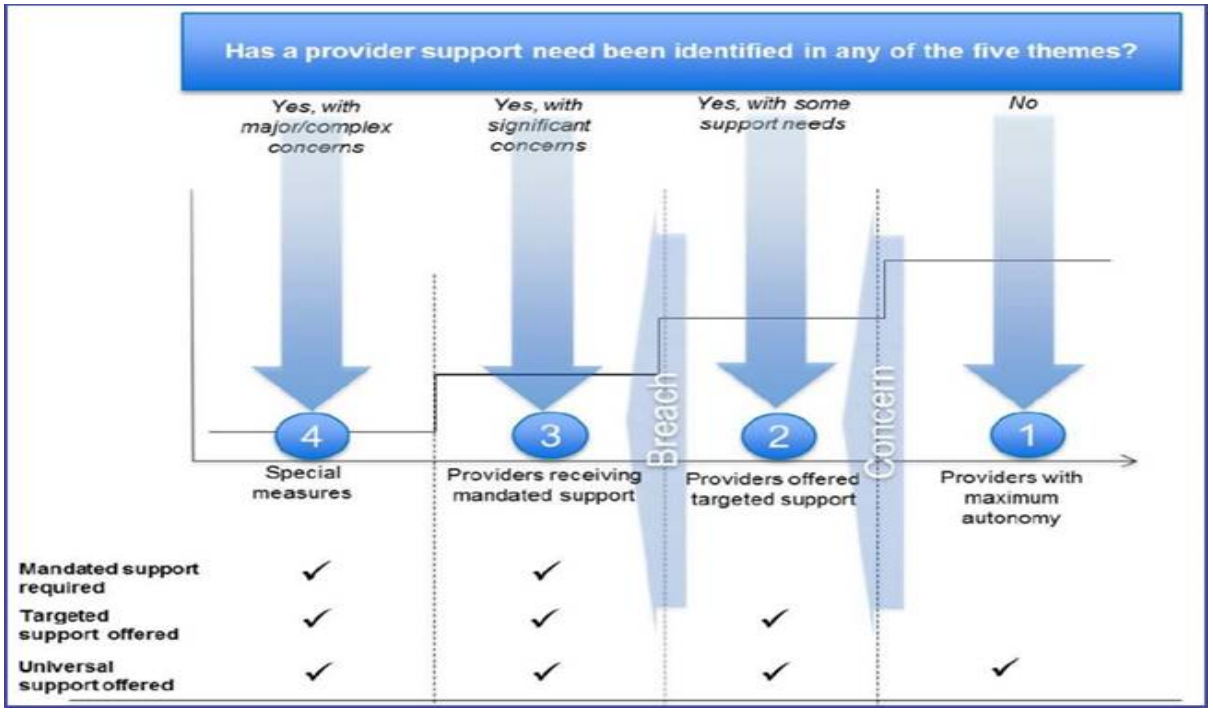
Any member of UHDB wishing to make contact with their Governor Representative should contact the Trust's Membership Office by email uhdb.membership@nhs.net or call 01332 785440 and arrangements will be made for the Governor to make contact.

NHS Oversight Framework

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

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

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



NHS Improvement has placed the Trust in Segment 3 "Mandated and targeted supported needs identified in finance and use of resources and operational performance".

This segmentation information is the Trust's position as at 18 June 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Enforcement Undertakings

In March 2019 NHS Improvement issued a new set of Enforcement Undertakings to the Trust and these remain in place as at 31 March 2021. The Trust had and continues to implement a number of measures to meet the requirements of the Undertakings please refer to the Annual Governance Statement for further details.

Care Quality Commission

University Hospitals of Derby and Burton NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without any conditions.

University Hospitals of Derby and Burton NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against University Hospitals of Derby and Burton NHS Foundation Trust during 2020-2021.

During the last 12 months adjustments have had to be made to the method by which regulatory organisations have undertaken their roles in particular with regards the continuation of scrutiny and management of NHS and health and social care providers in light of the COVID-19 pandemic.

It had been paramount that this regulatory body has been seen as being supportive of all provider organisations whilst also being alert to providing a flexible focus on identified patient safety concerns and issues, the use of technology and remote access tools to enable the delivery of assurance.

This has also included the introduction of local relationship manager meetings with providers, virtual question and answer sessions for identified areas and where only necessary on sites inspections in relation to specific focused patients safety concerns.

University Hospitals Derby and Burton NHS Foundation Trust – Rating October 2020

2020 inspection	Safe	Effective	Caring	Responsive	Well Led	Overall
Royal Derby Hospital	Requires Improvement July 2020	Good July 2020	Good July 2020	Good July 2020	Good July 2020	Good July 2020
Queen's Hospital Burton	Requires Improvement July 2020	Requires Improvement July 2020	Good July 2020	Good July 2020	Requires Improvement July 2020	Requires Improvement July 2020
Community Health Inpatient Services	Good July 2020	Good July 2020	Good July 2020	Good July 2020	Good July 2020	Good July 2020

Information relating to special reviews or investigations by the care Quality Commission

Unannounced Inspection July 2020:

In July 2020, the CQC undertook an unannounced inspection of the services at University Hospitals of Derby and Burton NHS Foundation Trust. As a result of the inspection the CQC revised the Trust's ratings from 'good' to 'requires improvement' in two areas: 'Safe' at Royal Derby Hospital and 'Effective' for Queen's Hospital Burton.

The Inspection Team highlighted a number of areas of good practice including multi-disciplinary teamwork, individualised care, infection control, information governance and staff understanding of keeping patients safe.

However, the Inspection Team identified six regulatory compliance ('Must Do') actions, which relate to three key themes:

1. The Trust must ensure that staff adhere to the Mental Capacity Act 2005 and record time specific and decision specific assessments of patients' capacity to consent to care and treatment where a patient may lack capacity. Staff must also ensure they consider a Deprivation of Liberty Safeguard application where they are restricting a patient for non-urgent care or treatment.
2. The Trust must ensure that learning following incidents is shared with all staff.
3. The Trust must ensure ward staffing levels are adequate to keep patients safe and in line with the Trust's supervision policy.

The CQC inspection report provides a clear guide for the required work which is necessary over the next few years if UHDB are to achieve an 'outstanding' CQC rating.

If we are to achieve our aspiration, we need to take this to the next level. We will do this through developing and utilising the capability of all staff to undertake quality improvement as part of everyday practice. We will build on our strengths and focus on creating an environment that nurtures learning and improvement at all levels in the organisation.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of University Hospitals of Derby and Burton NHS Foundation Trust.

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require the University Hospitals of Derby and Burton 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 University Hospitals of Derby and Burton NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis,
- make judgements and estimates on a reasonable basis state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (*and the Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements,
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance,
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the University Hospitals of Derby and Burton 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 University Hospitals of Derby and Burton 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 University Hospitals of Derby and Burton 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 UHDB Foundation Trust's auditors are unaware, and I have taken all the steps that I ought to

have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Gavin Boyle
Chief Executive
28 June 2021

Annual Governance Statement

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

The Purpose of the System and 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 University Hospitals of Derby and Burton 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 University Hospitals of Derby and Burton NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk
The risk management processes are led at Trust Board level by the Trust's Executive Chief Nurse. The Trust had adopted a comprehensive approach to risk management with structures and processes in place to successfully deliver its risk management objectives. Risk issues are discussed and escalated across the committee structures including via the four Divisions and the Improvement Groups before being reported to the Trust Delivery Group. The Trust Governance Structure together with the Risk Management Policy ensures that there is additional scrutiny of risk at both divisional and corporate levels.

Staff undertake Risk Management training and, where necessary, appropriate staff are trained in risk assessment and investigation techniques. A standard approach for the identification, assessment and management of all risks is in place, using specified processes and reporting to ensure effectiveness. This includes the identification, analysis and control of risks, which are reported and managed through a central database and in addition, high/extreme risks and those with a consequence rating of catastrophic are escalated through identified committee structures.

Staff are required to review risk regularly and inform of any changes and report into the business units and Trust reporting systems to ensure organisational learning and to share good practice.

The Risk and Control Framework

The Trust's Risk Management Policy and supporting documents sets out the structure for dealing with risks which include the duties and responsibilities of key staff within the Divisions. The risk register is formally reviewed within the Divisions, along with Corporate Services and report to the Risk and Compliance Group. Overall, the Divisional Directors are responsible to the Trust Board's Executive Chief Operating Officer.

The principal risks faced by the Trust during 2020-2021 were categorised using the Trust's PRIDE objectives:

P - Putting our patients and communities first.
R - Right first time.
I - Invest our resources wisely.
D - Develop and nurture our colleagues.
E - Ensure improvement through effective partnerships.

Board Assurance Framework

The Trust Board has monitored and reviewed the risks within its Board Assurance Framework through bi-monthly reports to the Trust Board linked to reporting of the Board Assurance Framework risks to each of the designated Trust Board Committees. The risks within the Board Assurance Framework were collectively agreed by the Trust Board on Executive recommendation as the areas that would have a direct impact on the Trust's ability to deliver its priorities and objectives.

Strategic risks were reviewed and reassessed by Trust Board Committees during the year considering the strategic risks relevant to them linked to the operational risks that were scoring high or extreme. The Committees were looking for assurance that the activity being undertaken to manage the risks was being effective and if not what alternative action was being considered.

The Board Assurance Framework risks rates as Extreme (16) or above as at 31 March 2021 were:

- A risk of services not being able to safely meet the needs of our patient population whilst responding to the COVID-19 pandemic and its aftermath.
- A risk of failure to deliver safe and effective care, causing un-necessary harm to our patients
- A risk of being unable to deliver the right interventions and outcomes for our patients in a timely manner.
- A risk of failure to deliver high quality and timely services for patients.
- A risk of the Trust failing to create a diverse, inclusive and equitable culture.

The Trust has a number of controls in place to mitigate these risks and following the assessment of the assurances, gaps in controls and assurances and the actions being taken to address those gaps (including having defined timescales), the level of assurance for the above risks as at 31 March 2021 was partial.

A specific corporate risk register was maintained to look at the direct risks associated with the COVID-19 pandemic and how this has impacted on the Trust. This was reviewed and updated through the Gold and Silver command structure.

The Trust has reviewed its statement on risk appetite during the year to ensure there was a clear link between this and the risk scores to provide assurance to the Trust Board and its Committees that the action being taken was effective.

A new Board Assurance Framework has been approved for 2021-2022 which is linked to the strategic objectives and risk appetite of UHDB. The Trust has put in place controls and action plans to mitigate these risks and these are described in the Board Assurance Framework document. Future risks and associated mitigations are identified in a number of ways, including the Trust Board's regular 'horizon scanning' of the environment in which the Trust is operating and the annual review process.

Clinical Risk

The last assessment completed in the Trust by NHS Resolution accredited the Trust with Level 3 Standard across the Trust and Level 2 for Maternity Services. The NHS Resolution now focusses on learning from clinical negligence claims and no longer carries out accreditation processes. The NHS Resolution Clinical Negligence Insurance Incentive Scheme has been launched in its second year and all Maternity Trusts will be required to evidence compliance of the 'top ten' safety criteria.

Trusts that can demonstrate they have achieved all of the ten safety actions will recover the element of their contribution to the Clinical Negligence Scheme for Trusts maternity incentive fund and will also receive a share of any unallocated funds. Trusts that do not meet the ten-out-of-ten threshold will not recover their contribution to the Clinical Negligence Scheme for Trusts maternity incentive fund, but may be eligible for a small discretionary payment from the scheme to help them to make progress against actions they have not achieved. The Trust is currently working hard to evidence compliance and is on track to meet the requirement for 9 of the standards fully.

In the case of incident reporting, the Trust is fully committed to support openness, transparency and learning, in respect of reporting the Trust encourages the reporting of incidents and near misses as a source of organisational learning and opportunity for quality improvement. Incident reporting is done through the Datix information system where it is checked and confirmed before themes and learning are reported to the Trust Board through our Board Sub Committees. The Trust has benchmarked as a low reporter of incidents into the National Learning System and is focussing on how it encourages staff to feel safe and confident in the reporting of incidents and that our IT systems make that as simple as possible.

Quality and Equality Impact Assessments are also an integral part of this work, linking with the risk management process, particularly in relation to changes to service delivery. There is a robust Quality Impact Assessments process in place. The Trust completed a review of the Equality Impact Assessments which was launched in 2020.

The Trust is required to register with the CQC and its current registration status is registered without any conditions, the Trust has no conditions on registration. The CQC has not taken enforcement action against the Trust during 2020-2021.

Cyber Risk

The Trust is fully aware of the risks of cyber-attacks especially during the recent COVID-19 pandemic and has implemented a number of contingency measures to limit

the risk on its IT infrastructure as well as having detailed business continuity plans in place. External reviews of the Trust's preparedness against cyber attack has been rated above average

The COVID-19 pandemic has also meant a significant move for the Trust to home working for staff which has introduced a number of new cyber security risks. These have been mitigated by the measures put in place over the past few years. Over the past 12 months the Trust has increased the number of staff able to work from home on a regular basis with full access to Trust systems from around 600 users to over 3500.

The NHS has also been made aware of increased cyber activity during the last year as cyber criminals have taken advantage of the focus on COVID-19 and staff working remotely. Whilst the Trust has recognised this increased risk and taken measures to ensure it was protected, there has been no significant impact on the operation of the Trust.

The Trust has now moved the majority of its PC and laptop estate over to Windows 10 and has also taken moves to reduce the number of legacy systems used in the Trust. Over the next year the Trust will be implementing a cloud based data archive solution to further the replacement of legacy systems whilst still allowing clinicians access to the data they contain. This will significantly enhance the cyber security within the Trust.

Data Quality

Data Quality is a critical element of the Trust's controls. The Trust Board, its Committees and the senior management receive regular reports on finance and performance split down in great detail as required. This information is managed through a variety of systems including Datix and is combined to produce an integrated performance report that goes to the Trust Board. Information is triangulated to ensure that any inaccuracies can be quickly identified and addressed.

The data quality team undertake yearly audits to evidence the Trust has a robust data recording process which supports accurate data submissions and ensures the patient's journey through the Trust is followed accurately and in a timely manner and underpins accurate income generation according to the commissioning agreements

Corporate Governance Statement

The Trust Board has an established process to assure itself of the validity of its Corporate Governance Statement required under NHS Foundation Trust Condition 4 (8) (b), with appropriate sources of assurance being provided to the Trust Board, thereby allowing it to self-certify compliance with the Statement.

The Trust undertook its own independent Well-Led review by KPMG at the end of 2020 and have put in place an action plan to address the recommendations.

The governance structure changed during the year to give greater accountability and these changes were being put into place when the situation with COVID-19 caused a review of how governance would have to change to meet the requirements of the new situation. There was a significant focus on how to deliver the COVID-19 response as well as maintain business as normal. A move to virtual meetings took place linked to a revised but strong system of internal control through a Gold Command structure

which was directly linked to the Trust governance and risk reporting systems through Trust Delivery Group and the Trust Board.

The revised governance structure supports risks facing detailed scrutiny at Divisional and Improvement Group level which links to the high and extreme risks being individually identified on the new Board Assurance Framework support sheets. A separate risk reporting system has been set up linked to the risk register to cope with identifying and tracking risks in the fast changing COVID-19 response.

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

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

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

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

Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust operates a highly developed internal control environment, including a stringent form of monitoring in terms of budgetary control and expenditure. This control environment has been tested throughout 2020-2021 by monthly reports to the Trust Board and the Board Committees describing the operational and the financial position of the Trust. This has included its progress in achieving the financial targets, forecasts, capital expenditure programmes, transformation and cost improvement programmes that are required of the organisation.

The role of the Trust Board, Audit Committee, Finance and Investment Committee, and the Internal Audit function and any other review of assurance are listed in the review of effectiveness section below. Internal and External Audit and counter fraud report to every Audit Committee meeting. The Chair of the Audit Committee has held private meetings with the external and internal auditors during the year. Additionally, there have been quarterly meetings of Committee Chairs to allow potential overarching issues to be discussed in detail. During the first and second waves of COVID-19, the frequency of the Non-Executive Director virtual meetings increased from monthly to weekly to ensure that communication with the Non-Executive Directors was maintained given that they were not coming on site.

The NHS Oversight Framework is designed to help NHS providers attain, and maintain, CQC ratings of 'Good' or 'Outstanding'. The Framework does not give a performance assessment in its own right. The framework applies from 1 October 2016, replacing the Monitors 'Risk Assessment Framework' and the NHS Trust Development Authority 'Accountability Framework'.

Enforcement Undertakings

The Enforcement undertakings that were put in place on 4 September 2014 have either received a certificate of compliance, or where a certificate of compliance has not been issued are superseded by the set of Enforcement undertakings issued in March 2019 and revised in July 2019. The revised set of Enforcement undertakings were reviewed by the Trust Board on 12 March 2019 and 10 September 2019 respectively. The Enforcement undertakings remain in place as at 31 March 2021.

The revised Enforcement undertakings require the Trust to take reasonable steps to recover cancer operational performance, develop a cancer 62-day plan, develop a financial long-term deficit reduction financial improvement plan and financial strategy and ensure sufficient governance arrangements are in place to enable the board to have oversight of the delivery of the undertakings, understand risks and hold individuals to account for the delivery of the relevant plans. The Trust has implemented a number of measures to meet the requirements of the Enforcement undertakings.

Equality, Diversity and Inclusion

As a forward-thinking NHS organisation, the Trust takes its responsibility for equality, diversity and inclusion extremely seriously and expects all staff to take responsibility, in line with the Exceptional Care Together values, for ensuring that patients, visitors and colleagues are treated as individuals, with compassion, dignity and respect during each and every contact.

Our Executive lead for Equality, Diversity and Human Rights is the Executive Director of People and Organisational Development, and our Chair, Chief Executive and the Trust Board are actively engaged to ensure our EDI strategy is embedded throughout the organisation and the Trust in an inclusive employer.

During 2020-2021 the Trust launched its Equality, Diversity and Inclusion (EDI) Strategy following wide engagement with a range of colleagues. This strategy supports the delivery of the Exceptional Care Together Strategy and People Strategy which outlines aspirations to make UHDB the best place to work in the NHS with a diverse and inclusive workforce, where everyone counts.

Workforce

The NHS People Plan was published on 30 July 2020 and includes a programme of initiatives to support the growth and development of the NHS Workforce, with national and local actions to be undertaken, to enable services to recover and transform as we emerge from the pandemic.

The UHDB People Strategy was published during the year and is aligned to the NHS People Plan to ensure that UHDB is consistent in our approach to the objectives, and progress reviewed in line with the emerging priorities. The strategy outlines five strategic objectives below, that the Trust is committed towards in moving forward, and supports the overarching strategy of Exceptional Care Together. This will ensure that our people are at the heart of our plans for recovery and progress can be demonstrated.

- **Attract** - develop our flexible employment offer to attract the best people.
- **Retain** - develop an organisational culture where our people are proud to work.
- **Equality, Diversity and Inclusion** - develop a positive, person centred culture for everyone.
- **Engage, Involve and Lead Our People** - ensure that everyone feels they have a voice.
- **Develop for the Future** - ensure that we put our people at the heart of everything we do.

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

Information Governance

Policies and procedures are in place to protect personal information. Risks relating to information are managed and controlled via the Information Governance Steering Group which is chaired by the Executive Medical Director/Caldicott Guardian and attended by the Executive Director of Finance and Performance (Senior Information Risk Owner).

The Trust extensively uses the Data Security and Protection Toolkit (DSPT), which is an online self-assessment tool that that provides a mechanism for organisations to measure their performance and demonstrate that arrangements are in place to maintain the confidentiality and security of personal information and compliance with the National Data Guardian's 10 data security standards. By assessing ourselves against the standards, and implementing actions to address shortcomings identified though use of the DSPT, it allows the Trust to reduce the risk of a data breach.

All organisations that have access to NHS patient data, systems and networks must use this DSPT to provide assurance that they are practising good data security and that personal information is handled correctly. The Trust's Internal Auditor (360 Assurance) undertakes audits to review the Trust's DSPT evidence and compliance. The auditor's assessment for the 2020-2021 DSPT submission is now complete, and the report is being finalised. The overall objective of the audit was to assess the effectiveness of the Trust's data security and protection environment as assessed through the DSPT.

The submission date for the DSPT is usually end of March each year, however the deadline for the final DSPT submission for 2020-2021 has been extended to 30 June 2021 to the COVID-19 pandemic.

The DSPT requires organisations to achieve on an annual basis 95% Information Governance training compliance. To ensure the security of our systems and data, staff who fail to update their training within 4 weeks of their expiry data have their access removed. However, this has not been undertaken during the last 12 months due to the COVID-19 pandemic and the pressures placed on staff. One of the consequences of COVID-19 was that the majority of training was cancelled, which is

now in the process of being restored. Due to the number of staff exceeding their expiry date the current compliance level stands at 91.6%. Action is being taken to address this and try to raise compliance to the required level prior to the DSPT 2020-2021 submission.

Serious Incidents

Serious Information Governance Incidents must be reported through the DSPT Incident Reporting module within 72 hours of becoming aware of the incident. The toolkit asks a range of questions around the data involved, number of individuals involved and the potential impact/consequences for the individuals to decide on the seriousness of the incident and escalation to the Information Commissioner's Office (ICO) and Department of Health and Social Care as appropriate.

Serious IG incidents reported 2020-21

There have been nine serious incidents reported through the DSPT during 2020-2021, four of which were escalated to the Information Commissioner's Office. These incidents have all been fully investigated, appropriate actions taken, which include additional training where identified and revised working practices with the learning from these incidents being shared across the organisation.

Date	**Incident**	**Escalated to ICO YES/NO**
May 2020	A company that manage our Trust Charity Lottery contacted 41 lottery members but in doing so mismatched some of their information, sending other members name and last few digits of bank account number to another member.	Not required
July 2020	During COVID-19, when relatives not allowed visiting, we had husband and wife as inpatients. The lady (who has dementia) was being discharged to care home and husband staying with us for end of life care. Staff, with the husband's consent, wheeled beds together and took a photo so family could have a copy. The son, who we had listed as next of kin, gave verbal permission for photo to be used within internal communications promoting stories about teams that have gone the extra mile. Sadly, the husband passed away. Unfortunately, the Daughter, who felt she was next of kin was not happy as the photo was then published on our external website and social media pages and picked up/published on TV news, local papers and also abroad.	Yes. No further action to be taken by ICO but recommendations made.
July 2020	Email with attachment sent to incorrect recipient. Although it went to a 'trusted NHS partner' it was not intended for that organisation. The email had an attachment that contained patient identifiable data for 261 patients.	Not required
September 2020	An email was sent to 39 patients providing them with information relevant to their condition. Unfortunately, the person who sent the email sent one email to them all using the 'to' section rather than individual emails or using the 'bcc' option, which gave all recipients each person's personal email address.	Not required
November 2020	A letter was sent to the parents of a child/patient. Unfortunately, the person who sent the document had enclosed a sheet that should not have been included. The sheet contained the NHS number, patient name, gender, date of birth, mobile numbers and abbreviations of what device the child uses for 20 patients.	Not required

February 2021	Records released by GP, following a SARs request. Patient had a baby taken into care and subsequently adopted. Unfortunately, the post-natal link within the mother's record not closed when the baby went into foster care. When patient attended UHDB and her NOK details updated our system generated an A31 message to the GP record, Systm1, which included this linked data - which is how the adoptive parent's address appeared on the mother's GP record.	Yes. No further action to be taken by ICO but recommendations made
February 2021	Email sent to incorrect email address, contained a complaint response relating to a vulnerable patient.	Yes. No further action to be taken by ICO but recommendations made
March 2021	An email attaching a complaint response was sent to an incorrect email address	
March 2021	During the processing of a Subject Access Request (SAR), 42 pages of a patient's health record were sent incorrectly to another patient. The staff member was processing two requests and inadvertently sent the pages to the wrong patient.	Yes. No further action to be taken by ICO but recommendations made

Involvement of stakeholders in risk reporting and management

Public stakeholders are involved in the risk management process through the Trust's Council of Governors who receive reports relating to risk management issues, including complaints. Governor observers attend all the Trust Board Committees and hear the discussions regarding the review of risks assigned to the Committees which are discussed bi-monthly.

The Trust also has a Patient Experience and Engagement Group which receives detailed information on complaints, and Patient Advice and Liaison issues. Membership of this group includes lay representatives from patient groups, Local Involvement Networks (Healthwatch Derby City and Derbyshire) and Public Governors. This is a way for representatives of the patients and public to be involved in managing the risks and quality issues which impact patients and the public.

The Council of Governors plays an important role in supporting the Trust's assurance processes by their scrutiny of the Trust's work and broad involvement in the Trust. In particular, the Governor Engagement Group Governors are actively involved in working with the Trust to ensure its quality standards are met carrying out detailed audits of clinical areas, monitoring any actions arising and providing assurance to the Council of Governors.

Visible Leadership

The usual Board to Floor and Governor Engagement visits were put on hold in March 2020 due to the COVID-19 pandemic. These were reinstated in December 2020 in a virtual format. The Board to Floor visits involve a Governor from the Governor Engagement Group and two Non-Executive Directors.

Throughout the pandemic the Chair, Chief Executive and Executives have continued where possible to visit areas across the Trust. Board meetings and Board Committee meetings were all held virtually during 2020-2021.

The Trust Board has regular seminar sessions to appraise themselves on more detail on any specific issues. In addition, members of the Quality and Performance Committee and the Governors who are members of the Governor Engagement Group meet to discuss Quality issues, including the Quality Strategy. The implementation of the revised governance structure has enabled the Quality and Performance Committee, which oversees Quality, Safety and Effectiveness and is chaired by a Non-Executive Director to challenge the assurance that is being provided and request additional information on areas where there is a level of concern.

Incident Reporting

Intelligence is gathered via the Trust's Datix incident reporting system. This system contains six modules which allows for detailed reporting and the monitoring of trends. Information is triangulated with the data from a range of other sources to ensure a rich intelligence, with more details being available in section five of the Quality reports. The intelligence is validated through the Trust's Quality Governance structure and Trust Delivery Group.

The Trust has a Freedom to Speak Up (Raising Concerns at Work) Policy which is publicised at staff induction by the Chief Executive outlining our commitment to an open and learning culture. During 2020-2021 our Freedom to Speak up Policy has been implemented following the new national guidance. A new strategy was approved post the year end following a detailed gap analysis against national best practice. The new Freedom to Speak Up training module for all staff has been implemented. The Trust also recognises the value of listening to staff experience and recruited a full time Deputy Guardian to increase capacity and to provide added support to staff.

The Trust has undertaken further campaigns to highlight ways in which staff can speak up and feel confident they are listened to; including the recruitment of seven further Champions including two from our Filipino communities who were encountering specific barriers to speaking up, targeted drop in sessions with our Freedom to Speak Up Guardian and Deputy Guardian in hotspot areas. The Trust has ensured our Freedom to Speak up function has been safely accessible and visible throughout 2020-2021. To ensure learning is shared from speaking up, broad themes and outcomes from speak up issues are published monthly on our staff intranet.

All our Champions offer a signposting service to staff, provide soft intelligence to the Guardians and also raise the profile and awareness of speaking up in their areas.

The Freedom to Speak Up Guardians provide an additional channel enabling staff to raise concerns and reports quarterly to the People and Culture Committee and bi-annually to the Trust Board.

Our Safe Working Guardian is also a Freedom to Speak up Champion ensuring Junior Doctors have a direct route to speak up safely, to report concerns and engage in discussions. The Safe Working Guardian provides a quarterly report to the Trust Board.

Staff and Public Engagement
Staff are engaged at all levels with quality initiatives with defined targets and regular reviews of progress. The ward assurance tool has encouraged staff empowerment to deliver their own improvements. Internal communications regularly feature quality issues in, the Chief Executive's Blog and the Quality and Safety Newsletter.

Information is made available through Public Trust Board meetings, the Quality reports, and the Annual Report and Review. Governors also attend the Trust Board meetings held in public and the Trust Board Committees as observers so they are aware of the challenge and decision making within the Trust and are able to utilise this information to inform discussions at the Council of Governors meetings.

Annual Quality Report
Due to the COVID-19 pandemic NHS Improvement and NHS England have again agreed to waive the requirement for a Quality Report section of the Annual Report hence there will only be a brief overview report with more details being included in the Quality Accounts.

The Quality Strategy 2020-2025 has been developed and approved by the Trust Board in July 2020. The Strategy focuses on the Trust's PRIDE ambition to "put its patients and our communities first", and the True North Goal of delivering the "safest care anywhere". Quality and Performance Committee monitors the progress of the Quality Strategy.

The Quality Improvement Group monitors service quality using evidence obtained via sub-groups from divisional clinical quality dashboards and Trust-wide quality indicators. The Group provides assurance to the Quality and Performance Committee.

The Quality Dashboard enables progress against key performance indicators (KPI's) to be measured and monitored. There are a number of systems and processes from which we obtain data which will be detailed in the Quality report and these are subject to rigorous scrutiny prior to reporting both internally and externally.

NHS Improvement's Quality Governance Framework
Quality Governance is the combination of structures and processes at and below Trust Board level to lead on Trust-wide quality performance including:

- Ensuring required standards are achieved.
- Investigating and taking action on sub-standard performance.
- Planning and driving continuous improvement.
- Identifying, sharing and ensuring delivery of best-practice.
- Identifying and managing risks to quality of care.

Revenue Spending and Plan
The reported Group deficit for the year ended 31 March 2021 is £1.4m as shown in the table below. This position includes the Trust, its wholly owned subsidiaries and the Derby and Burton Hospitals Charity.

University Hospitals of Derby and Burton Foundation Trust
Summary Statement of Comprehensive Income 2020-2021

	Trust and Subsidiaries	Charity	Group
	£000	£000	£000
Operating income from patient care activities	858,996	-	858,996
Other operating income	150,638	2,514	153,152
Operating expenses	(989,406)	(2,369)	(991,775)
Operating Surplus/(Deficit)	**20,228**	**145**	**20,373**
Finance income	54	276	330
Finance Expense	(23,110)	-	(23,110)
Net finance costs	**(23,056)**	**276**	**(22,780)**
Other gains (losses)	(988)	1,997	1,009
Surplus/(Deficit) on Continuing Operations	**(3,816)**	**2,418**	**(1,398)**
Adjusted performance (excl Charity) - NHSI reporting			
Surplus/(deficit) for the period/year	(3,816)		
Add back all IandE impairments/(reversals)	19,712		
Adjust (gains)/losses on transfers by absorption	(200)		
Surplus/(deficit) before impairments and transfers	**15,696**		
Remove capital donations/grants IandE impact	(744)		
Prior period adjustments and other performance adjustments	(13,266)		
Remove net impact of consumables donated from DHSC bodies	(1,213)		
Adjusted financial performance surplus/(deficit)	**473**		

For the year ending the 31 March 2021 the Trust had an agreed monitoring plan generated by the addition of the actual position for the first six months and the forecast based around the Phase Three Activity Submission for the second half of the financial year. This delivered a deficit of £7.1m against the envelope from the regime for the final six months, with the first six months funded to break even by requesting Retrospective Top Up payments from NHS England.

The cumulative financial position for the year ended 31 March 2021 is £0.5m surplus; this was a £7.6m favourable outturn against the phased £7.1m deficit plan.

In summary the £7.6m favourable variance is driven by higher trading income, a non-recurrent provision for annual leave, lower operational costs due to lower levels of activity treated and a lower level of COVID-19 expenditure than the income received under the STP allocation.

This position includes a Prior Period Adjustment relating to the PFI interest of £13.3m and a £1.8m benefit from the consolidation of UHDB's wholly owned subsidiary companies.

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 the 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 Trust Board, the Audit Committee and the Quality and Performance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board seeks assurance from the Trust's internal auditors (360 Assurance), by way of reports that are published in response to reviews initiated following the agreement of an annual audit plan.

These reports are undertaken in accordance with the requirements of the Public Sector Internal Audit Standards and provide specific levels of assurance and include suggested actions to improve controls where this is considered necessary.

We have received the Head of Internal Audit Opinion which provides moderate assurance – that there is a generally sound framework of governance, risk management and control, however, inconsistent application of controls puts the achievement of the organisation's objectives at risk.

The Head of Internal Audit Opinion provides significant assurance for the BAF and strategic risk management element. The Trust has maintained the BAF and risk management arrangements throughout the year and reported to the Board and its committees.

The Head of Internal Audit Opinion provides moderate assurance for the Internal Audit plan outturn. Whilst Internal Audit is still completing is work programme, there are areas of its core work for which Internal Audit have provided limited assurance and it has identified high risk issues.

The Head of Internal Audit Opinion provides limited assurance for the follow-up of actions. This is the third year where Internal Audit has raised concerns over the Trust's ability to action agreed recommendations and whilst the Trust has made some progress in implementing actions in the final quarter, this has taken significant effort from the Trust and 360 Assurance and work is still required to ensure this operates effectively as business as usual. Full details are available in the Head of Internal Audit opinion which is replicated on the next page in full:

I am providing an opinion of **Moderate Assurance**

We are providing significant assurance for the BAF and strategic risk management element. The Trust has maintained the BAF and risk management arrangements throughout the year and reported to the Board and its committees.

We are providing moderate assurance for the Internal Audit plan outturn. Whilst we are still completing our work programme, there are areas of our core work that we have identified limited assurance and we have identified high risk issues.

We are providing limited assurance for the follow-up of actions. This is the third year where we have raised concerns over the Trust's ability to action agreed recommendations and whilst the Trust has made some progress in implementing actions in the final quarter, this has taken significant effort from the Trust and 360 Assurance and work is still required to ensure this operates effectively as business as usual.

This Opinion should be taken in its entirety for the Annual Governance Statement and any other purpose for which it is repeated.

The Trust operates within its Constitution and has Standing Orders and Standing Financial Instructions along with a Scheme of Delegation, all of which are approved by the Trust Board. Any deviation from Standing Orders requires approval by the Executive Director of Finance and Performance, and is reported to the Trust's Audit Committee. In addition, all Trust Board Committees have approved Terms of Reference with reporting arrangements.

Apart from the Audit Committee, the other Committees include, Quality and Performance Committee, Finance and Investment Committee, People and Culture Committee and Charitable Funds Committee, details of which are set out in the Accountability Report section of this Annual Report.

The Audit Committee reviews the establishment and maintenance of an effective system of governance, risk management, and internal control, across the whole of the University Hospitals of Derby and Burton NHS Foundation Trust's activities, (both clinical and non-clinical), that support the achievement of the Trust's objectives.

The Audit Committee provides the Trust Board with a means of independent and objective review of the adequacy and effectiveness of:

- Financial systems.
- Assurance systems.
- Risk management systems.

Other Statements

The Trust currently has no loans from either the Department of Health and Social Care or other sources e.g. Salix / Carbon Trust loans. Any future non- Department of Health and Social Care loan may need to be underwritten or guaranteed by Department of Health and Social Care. Any proposal to access private sector funding or funding from other government departments must be discussed with NHS Improvement in the first instance.

Conclusion

Other than the issues specifically noted in the previous section of the Annual Governance statement in relation to the Enforcement undertakings, there are no significant internal control issues which have been identified.

Gavin Boyle
Chief Executive
28 June 2021

University Hospitals of Derby and Burton NHS Foundation Trust Annual Accounts 2020 – 2021

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Foreword to the Accounts

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

There are three main statutory requirements for an NHS Foundation Trust in relation to its accounts:

- To keep proper accounts and proper records in such form as the regulator may, with the approval of the Secretary of State, direct;
- To prepare in respect of each financial year annual accounts in such form as the regulator may, with the approval of the Secretary of State, direct; and
- To comply with any directions given by the regulator, with the approval of the Secretary of State, as to: the methods and principles according to which the accounts are to be prepared and the content and form to be given in the accounts.

The Financial Statements include the consolidation of the University Hospitals of Derby and Burton NHS Foundation Trust (UHDB or the Trust), Derby and Burton Hospitals Charity (charity no. 1061812) and the Trust's subsidiary company D-Hive Limited (company no. 06982953), which includes the consolidation of its subsidiary companies Clinicians Connected Ltd (company no. 10250431), Derby Health Staffing Ltd (company no. 11425097) and Pride Pharmacy Ltd (company no. 11508893). More information on all of the Trust's Subsidiaries can be found in note 32.

The reported Group deficit for the year ended 31 March 2021 is £1.4m; this position includes the Trust, its wholly owned subsidiaries and Derby and Burton Hospitals Charity.

Signed

Gavin Boyle
Chief Executive
Date: 22 June 2021

Independent auditor's report to the Council of Governors of University Hospitals of Derby and Burton NHS Foundation Trust

Report on the audit of the financial statements

Qualified opinion on the financial statements

We have audited the financial statements of University Hospitals of Derby and Burton NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2021 which comprise the Trust and Group Statement(s) of Comprehensive Income, the Trust and Group Statement(s) of Financial Position, the Trust and Group Statement(s) of Changes in Taxpayers' Equity , the Trust and Group Statement(s) of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, except for the possible effects of the matter descried in the 'Basis for qualified opinion' section of our report, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2021 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

The carrying amount of the Group inventory balance held at 31 March 2021 is £15.8 million and £14.9m for the Trust. Due to COVID-19-related travel restrictions we were unable to attend the year-end physical inventory counts and as a result we were unable to obtain sufficient appropriate audit evidence about the existence and condition of the inventory balance held by the Trust and Group at 31 March 2021. We were unable to satisfy ourselves by alternative means concerning the existence and condition of inventory held by the Trust and Group as at 31 March 2021 by using other audit procedures. Consequently, we were unable to determine whether any adjustments to this amount were necessary

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our qualified opinion on

- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

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

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied 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 not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves 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 work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report and Accounts is fair, balanced and understandable and whether the Annual Report and Accounts appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2020/21 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. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and considering whether there were any significant transactions outside the normal course of business.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice
In our opinion:

- the parts of the Remuneration Report and Staff Engagement Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21; and
- the other information published together with the audited financial statements in the Annual Report and Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice
We are required to report to you if:

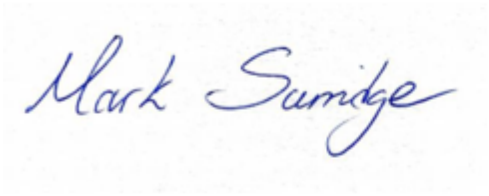
- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2020/21; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report
This report is made solely to the Council of Governors of University Hospitals of Derby and Burton NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust 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 Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.



Mark Surridge Key Audit Partner

For and on behalf of Mazars LLP

2 Chamberlain Square, Birmingham, B3 3AX

29 June 2021

Audit Completion Certificate issued to the Council of Governors of University Hospitals of Derby and Burton NHS Foundation Trust for the year ended 31 March 2021

In our auditor's report dated 29 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

This work has now been completed.

No matters have come to our attention since 29 June 2021 that would have a material impact on the financial statements on which we gave our qualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied 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.

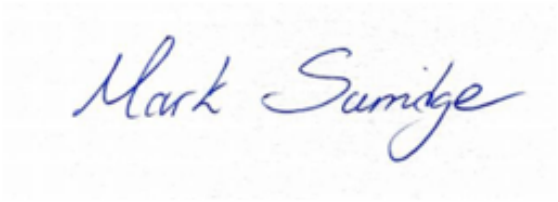
On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weaknesses in the Trust's arrangements for the year ended 31 March 2021:

Significant weakness in arrangements	Recommendation
The Trust's financial sustainability Following the onset of the Covid-19 pandemic, the original NHS Planning Guidance 2020/21 was suspended and a new financial regime was implemented. Local health systems were expected to achieve financial balance within this envelope and individual organisations were able to deliver surplus or deficit positions by mutual agreement within the system. The national NHS financial regime for 2020/21 and 2021/22 has not addressed the underlying financial sustainability challenge for the Trust. NHS England and Improvement's (NHSE/I) 2019 Enforcement undertakings are still in place and include a requirement for the Trust to develop a long-term deficit reduction financial improvement plan and financial strategy. As reported in the audited financial statements, the Trust received £60m 'top-up' funding in 2020/21, contributing to a Group deficit for the year of £1.4m compared to a £55m deficit in 2019/20. The cumulative Income and Expenditure deficit as at 31 March 2021 is £405m. The Trust has estimated the underlying deficit for 2021/22 to be c£118m and has identified a range of actions in progress and options to immediately strengthen financial engagement, improve control on financial performance and stabilise the underlying position and secure longer term financial sustainability. The scale of the difficulties facing the Trust is however significant and requires effective working with, and support from, system partners. Delivering the expected cost and	Within the context of revisions to NHS financing and the 2021/22 Planning Guidance, the Trust should ensure that it delivers the action plans that have been developed by management, and that monitoring and reporting, challenge and scrutiny and escalation arrangements are in place to drive the required improvements to sustain the improvements that are made to secure a stable platform for the Trust's financial sustainability

Significant weakness in arrangements	Recommendation
process improvements whilst recovering performance is challenging. The Trust's long-term financial sustainability is also dependent on, amongst other things, the resolution of long-standing issues in relation to the local configuration of services, which are matters requiring agreement with the Trust's Integrated Care Systems' partners. It is also dependent on the national funding structures yet to be determined. These long-standing issues, alongside the need to respond and adapt to Covid-19, have prevented the Trust from improving arrangements to secure financial sustainability during 2020/21. Overall, therefore, we have concluded that there is an ongoing significant weakness in arrangements to secure financial sustainability.	
Enforcement Undertakings Since 2019, the Trust has been subject to Enforcement Undertakings issued by NHS England and Improvement (NHSE/I) relating to the Trust's operational performance on the 62 day Cancer referral performance and on its financial performance. Under the Single Oversight Framework (SOF), which is designed to help NHS providers attain, and maintain, CQC ratings of 'Good' or 'Outstanding', the Trust's public score for 2020/21 is "3", defined as: *Providers receiving mandated support for significant concerns: there is actual or suspected breach of licence, and a Regional Support Group has agreed to seek formal undertakings from the provider or the Provider Regulation Committee has agreed to impose regulatory requirements*. The public score is changed only once providers have been informed by their regional lead and there is a move between segments. The Trust's 2020/21 Quality Report confirms that the performance on the maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers remains challenged, being 70.7% against the national average of 74.3% (in 2019/20 Trust performance was 74.3% against the national average of 77.2%). We recognise the impact of Covid-19 during the year, and acknowledge the steps being taken to engage with NHSE/I to address the enforcement undertakings and secure financial sustainability. These undertakings remain in place though and there is insufficient evidence to demonstrate the Trust has made sufficient progress for conditions to be lifted by regulators. As a result, there is a significant weakness in the Trust's arrangements that exposes it to a risk that can be reasonably expected to lead to a significant impact on the quality or effectiveness of service and the Trust's reputation.	In order to ensure systems, processes and training are in place to manage the risks relating to the health, safety, and welfare of service users, the Trust must ensure it embeds and sustains the action plans that it has put in place Trust-wide to address the patient care issues identified by NHSE/I regarding operational performance on 62 day cancer referrals, as well as the issues in our separate recommendation in relation to financial performance and financial sustainability.

Certificate

We certify that we have completed the audit of University Hospitals of Derby and Burton NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Mark Surridge, Key Audit Partner
For and on behalf of Mazars LLP

2 Chamberlain Square, Birmingham, B3 3AX

9 September 2021

Consolidated Statement of Comprehensive Income

		Group	
			Restated *
		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	858,996	761,555
Other operating income	4	153,152	98,960
Operating expenses	6, 8	(991,775)	(892,987)
Operating surplus/(deficit) from continuing operations		**20,373**	**(32,472)**
Finance income	11	330	564
Finance expenses	12	(16,104)	(21,614)
PDC dividends payable		(7,006)	-
Net finance costs		**(22,780)**	**(21,050)**
Other gains / (losses)	13	1,124	(1,103)
Gains / (losses) arising from transfers by absorption	59	200	-
Corporation tax expense		(315)	(158)
Surplus / (deficit) for the year from continuing operations		**(1,398)**	**(54,783)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	-	-
Surplus / (deficit) for the year		**(1,398)**	**(54,783)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(15,700)	(689)
Revaluations	29	48,717	0
Other reserve movements		703	(289)
Total comprehensive income / (expense) for the period		**32,322**	**(55,760)**

* See Note 60 for Prior Period Adjustment detail.

The numbers reported in the financial statements and notes to the accounts are presented in £000's not £'s, this can result in values in columns and / or rows not adding to the total shown, due to roundings.

Consolidated Statement of Financial Position

		Group		
			Restated	Restated
		31 March	31 March	1 April
		2021	2020	2019
	Note	£000	£000	£000
Non-current assets				
Intangible assets	16-17	5,029	6,087	7,584
Property, plant and equipment	20-21	605,927	569,895	539,394
Other investments / financial assets	32	10,217	7,905	8,962
Receivables	36	8,766	7,642	5,883
Total non-current assets		**629,939**	**591,530**	**561,823**
Current assets				
Inventories	35	15,843	14,844	12,102
Receivables	36	30,066	52,410	50,837
Non-current assets held for sale	38.1	5	-	-
Cash and cash equivalents	39	72,663	44,083	9,003
Total current assets		**118,577**	**111,337**	**71,942**
Current liabilities				
Trade and other payables	40	(99,986)	(115,726)	(99,934)
Borrowings	42	(10,106)	(335,396)	(84,315)
Provisions	45	(14,409)	(6,587)	(1,944)
Other liabilities	41	(9,028)	(9,383)	(9,715)
Total current liabilities		**(133,529)**	**(467,092)**	**(195,908)**
Total assets less current liabilities		**614,987**	**235,775**	**437,857**
Non-current liabilities				
Borrowings	42	(275,915)	(285,508)	(441,989)
Provisions	45	(6,979)	(6,658)	(4,112)
Total non-current liabilities		**(282,894)**	**(292,166)**	**(446,101)**
Total assets employed		**332,094**	**(56,391)**	**(8,244)**
Financed by				
Public dividend capital		598,996	242,833	235,220
Revaluation reserve		126,493	93,135	96,247
Other reserves		134	(156)	(156)
Income and expenditure reserve		(405,155)	(401,411)	(349,101)
Charitable fund reserves	57	11,626	9,208	9,546
Total taxpayers' equity		**332,094**	**(56,391)**	**(8,244)**

The notes on pages 128 to 201 form part of these accounts.

The Statement of Financial Position for both Trust and Group has been restated due to a prior period adjustment. For further details, please see note 60 to the accounts.

Gavin Boyle
Chief Executive
Date 22 June 2021

Trust Statement of Financial Position

	Note	Trust 31 March 2021 £000	Restated 31 March 2020 £000	Restated 1 April 2019 £000
Non-current assets				
Intangible assets	18-19	5,010	6,091	7,588
Property, plant and equipment	22-23	582,985	546,396	529,420
Other investments / financial assets	32	28,125	28,125	15,625
Receivables	36	8,766	7,642	5,883
Total non-current assets		**624,886**	**588,255**	**558,516**
Current assets				
Inventories	35	14,876	13,499	12,102
Receivables	36	32,918	52,797	50,771
Cash and cash equivalents	39	67,944	38,226	4,273
Total current assets		**115,738**	**104,522**	**67,146**
Current liabilities				
Trade and other payables	40	(97,800)	(109,909)	(96,008)
Borrowings	42	(10,383)	(335,611)	(84,246)
Provisions	46	(14,409)	(6,587)	(3,372)
Other liabilities	41	(9,028)	(9,382)	(9,664)
Total current liabilities		**(131,620)**	**(461,489)**	**(193,290)**
Total assets less current liabilities		**609,004**	**231,288**	**432,372**
Non-current liabilities				
Borrowings	42	(280,853)	(289,675)	(447,381)
Provisions	46	(6,979)	(6,658)	(4,112)
Total non-current liabilities		**(287,832)**	**(296,333)**	**(451,493)**
Total assets employed		**321,173**	**(65,045)**	**(19,121)**
Financed by				
Public dividend capital		598,996	242,833	235,220
Revaluation reserve		126,493	93,135	96,247
Income and expenditure reserve		(404,316)	(401,013)	(350,588)
Total taxpayers' equity		**321,173**	**(65,045)**	**(19,121)**

The notes on pages 128 to 201 form part of these accounts.

The Statement of Financial Position for both Trust and Group has been restated due to a prior period adjustment. For further details, please see note 60 to the accounts.

Gavin Boyle
Chief Executive
Date 22 June 2021

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**242,833**	**93,135**	**(156)**	**(401,411)**	**9,208**	**(56,391)**
Surplus/(deficit) for the year	-	-	-	(3,816)	2,418	**(1,398)**
Impairments	-	(15,700)	-	-	-	**(15,700)**
Revaluations	-	48,717	-	-	-	**48,717**
Public dividend capital received	356,163	-	-	-	-	**356,163**
Other reserve movements	-	341	290	72	-	**703**
Taxpayers' and others' equity at 31 March 2021	**598,996**	**126,493**	**134**	**(405,155)**	**11,626**	**332,094**

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(156)**	**(336,458)**	**9,546**	**4,400**
Prior period adjustment	-	-	-	(12,644)	-	**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(156)**	**(349,102)**	**9,546**	**(8,244)**
Surplus/(deficit) for the year	-	-	-	(53,445)	(1,338)	**(54,783)**
Other transfers between reserves	-	(2,424)	-	2,424	-	**-**
Impairments	-	(689)	-	-	-	**(689)**
Revaluations	-	0	-	-	-	**0**
Public dividend capital received	7,613	-	-	-	-	**7,613**
Other reserve movements	-	-	-	(1,289)	1,000	**(289)**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(156)**	**(401,411)**	**9,208**	**(56,391)**

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**242,833**	**93,135**	**(401,013)**	**(65,045)**
Surplus/(deficit) for the year	-	-	(3,303)	**(3,303)**
Impairments	-	(15,700)	-	**(15,700)**
Revaluations	-	48,717	-	**48,717**
Public dividend capital received	356,163	-	-	**356,163**
Other reserve movements	-	341	-	**341**
Taxpayers' and others' equity at 31 March 2021	**598,996**	**126,493**	**(404,316)**	**321,173**

Trust Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020 Restated

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(337,944)**	**(6,476)**
Prior period adjustment	-	-	(12,644)	**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(350,588)**	**(19,120)**
Surplus/(deficit) for the year	-	-	(52,850)	**(52,850)**
Other transfers between reserves	-	(2,424)	2,424	**-**
Impairments	-	(689)	-	**(689)**
Revaluations	-	0	-	**0**
Public dividend capital received	7,613	-	-	**7,613**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(401,013)**	**(65,045)**

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 and Social Care as the public dividend capital dividend.

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

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
The subsidiary consolidation reserve represents the Trust's subsidiary companies and consolidation adjustments to present a Group total reserves position.

Charitable Funds Reserve
This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 57.

Statements of Cash Flows

	Group		Trust	
		Restated		Restated
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Cash flows from operating activities				
Operating surplus / (deficit)	20,373	(32,472)	20,697	(31,211)
Non-cash income and expense:				
Depreciation and amortisation	25,770	18,604	25,575	18,590
Net impairments	19,712	709	17,345	384
Income recognised in respect of capital donations	(1,711)	(746)	(1,792)	(746)
(Increase) / decrease in receivables and other assets	22,776	(5,902)	20,208	(6,674)
(Increase) / decrease in inventories	(1,003)	(2,733)	(1,377)	(1,397)
Increase / (decrease) in payables and other liabilities	(12,515)	7,326	(9,089)	5,434
Increase / (decrease) in provisions	8,028	7,037	8,028	5,761
Movements in charitable fund working capital	(130)	(31)	-	-
Corporation Tax (paid) / received	(120)	-	-	-
Other movements in operating cash flows	1,272	(12)	(127)	29
Net cash flows from / (used in) operating activities	**82,452**	**(8,219)**	**79,468**	**(9,829)**
Cash flows from investing activities				
Interest received	54	200	52	190
Purchase and sale of financial assets / investments	(290)	-	-	-
Purchase of intangible assets	(966)	(713)	(931)	(713)
Purchase of PPE and investment property	(48,501)	(35,916)	(43,723)	(21,757)
Sales of PPE and investment property	20	13	20	13
Prepayment of PFI capital contributions	(886)	(886)	(886)	(886)
Proceeds/(Purchase) of/from investing activities	276	490	-	(12,500)
Net cash flows from / (used in) investing activities	**(50,293)**	**(36,812)**	**(45,468)**	**(35,653)**
Cash flows from financing activities				
Public dividend capital received	356,163	7,613	356,163	7,613
Movement on loans from DHSC	(325,160)	104,319	(325,160)	104,319
Capital element of finance lease rental payments	(756)	(1,291)	(515)	(1,163)
Capital element of PFI and other service concession payments	(8,210)	(9,131)	(9,129)	(9,737)
DHSC Interest on loans	(1,113)	(5,042)	(1,113)	(5,042)
Interest paid on finance lease liabilities	(115)	(95)	(72)	(95)
Interest paid on PFI and other service concession obligations	(15,612)	(16,052)	(15,916)	(16,250)
PDC dividend (paid) / refunded	(8,614)	(210)	(8,614)	(210)
Net cash flows from charitable fund financing activities	(236)	-	-	-
Cash flows from (used in) other financing activities	75	-	75	-
Net cash flows from / (used in) financing activities	**(3,578)**	**80,111**	**(4,281)**	**79,435**
Increase / (decrease) in cash and cash equivalents	**28,581**	**35,080**	**29,719**	**33,953**
Cash and cash equivalents at 1 April - brought forward	**44,083**	**9,003**	**38,226**	**4,273**
Cash and cash equivalents at 31 March	**72,663**	**44,083**	**67,944**	**38,226**

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

Accounting Convention

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

Note 1.2 Going Concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The Directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Consolidation

NHS Charitable Funds

The Trust is the corporate trustee to Derby and Burton NHS 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. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the Trust's accounting policies; and
- Eliminate intra-group transactions, balances, gains and losses.

Other Subsidiaries
Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the financial year 2020/21.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell.

Associates
Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g. share dividends are received by the Trust from the associate.

Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell".

Joint Ventures
Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Joint Operations
Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

Note 1.4 Revenue from Contracts with Customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those

performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS Contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

Revenue from Research Contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases, it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that

the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of International Accounting Standard (IAS) 20 for government grants.

NHS Injury Cost Recovery Scheme

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

Note 1.5 Other Forms of Income

Grants and Donations

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

Apprenticeship Service Income

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

Note 1.6 Expenditure on Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

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.

Note 1.7 Expenditure on Other Goods and Services

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

Note 1.8 Discontinued Operations

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

Note 1.9 Property, Plant and Equipment

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.

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. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

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.

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.

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.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's The Financial Reporting Manual (FReM), are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	30	55
Dwellings	40	40
Plant & machinery	5	11
Transport equipment	5	10
Information technology	3	10
Furniture & fittings	5	10

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.

Building assets are usually depreciated over 40 years. Buildings that are classed as temporary in nature may be depreciated over a shorter life.

Note 1.10 Intangible Assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only 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.

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as

for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

	Min life Years	Max life Years
Information technology	15	15
Software licences	5	15

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories are measured using either the first in, first out (FIFO) method or the weighted average cost method.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.12 Investment Properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

Note 1.13 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three 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 1.14 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 profit and loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are classified as subsequently measured at amortised cost or fair value through profit and loss.

Financial liabilities classified as subsequently measured at amortised cost or fair value through profit and loss.

Financial Assets and Financial Liabilities at Amortised Cost

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

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

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

recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial Assets Measured at Fair Value through Other Comprehensive Income
A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On de-recognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to profit and loss, except where the Trust measures an equity instrument in this category on initial recognition.

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

The Trust measures the following financial assets / financial liabilities at fair value through profit and loss: the linked Charity, Derby and Burton Hospitals Charity which is consolidated into the Group accounts hold equity investments which are held a fair value through profit and loss.

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

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

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.

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

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

Note 1.15 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.

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 as an item of property plant and equipment.

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

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

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

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

The Trust as 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 1.16 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.

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

Non-clinical Risk Pooling

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

Note 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 48 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 48, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.18 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 1.19 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 1.20 Corporation Tax

The Trust's subsidiary companies are liable to pay corporation tax based on profits at the prevailing rate. Deferred tax accounting is applied in the subsidiary entities as appropriate. Corporation tax is not considered material to the Group.

Note 1.21 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 1.22 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 1.23 Losses and Special Payments

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

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

Note 1.24 Transfers of Functions to / from Other NHS Bodies / Local Government Bodies

For functions that have been transferred to the Trust from another NHS / local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities.

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

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within [expenses / income], but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to

the trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

Note 1.25 Early Adoption of Standards, Amendments and Interpretations

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

Note 1.26 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 re-measurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable.

However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI imputed lease liability will be re-measured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

Other Standards, Amendments and Interpretations

Standards Issued or Amended but Not Yet Adopted in FReM

IFRS 17 Insurance Contracts
Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not permitted.

Note 1.27 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's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Going concern
The financial statements have been prepared on a going concern basis. The Trust has considered the specific guidance on going concern in the Department of Health and Social Care Group Accounting Manual (GAM) where non-trading entities in the public sector are assumed to be going concerns where continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents. In making their going concern assessment, the Trust has considered all available information about the future prospects of the Trust and has a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future.

EXCERPT FROM DEPARTMENT OF HEALTH AND SOCIAL CARE (DHSC) GROUP ACCOUNTING MANUAL (GAM)
Sections 4.12 to 4.22 of the GAM cover going concern and have been included below:

4.12 The Financial Reporting Manual (FReM) notes that in applying paragraphs 25 to 26 of IAS 1, preparers of financial statements should be aware of the following interpretations of Going Concern for the public sector context.

4.13 For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern.

4.14 A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.

4.15 Sponsored entities whose statements of financial position show total net liabilities must prepare their financial statements on the going concern basis unless, after discussion with their sponsor division or relevant national body, the going concern basis is deemed inappropriate.

4.16 Where an entity ceases to exist, it must consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern in its final set of financial statements.

4.17 While an entity will disclose its demise in various areas of its Annual Report and Accounts such as in the Performance Report and cross reference this in its going concern disclosure, this event does not prevent the accounts being prepared on a going concern basis or give rise to a material uncertainty in relation to the going concern of the entity.

4.18 DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity.

4.19 Where a DHSC group body is aware of material uncertainties in respect of events or conditions that may bring into question the going concern ability of the entity, these uncertainties must be disclosed.

4.20 As the continued provision of service approach, per paragraph 4.16, applies to DHSC group bodies, material uncertainties requiring disclosure, will only arise in very exceptional circumstances.

4.21 Should a DHSC group body have concerns about its “going concern” status (and this will only be the case if there is a prospect of services ceasing altogether), or whether a material uncertainty is required to be disclosed (which will only arise in exceptional circumstances), it must raise the issue with its sponsor division or relevant national body as soon as possible.

4.22 Consideration of risks to the financial sustainability of the organisation is a separate matter to the application of the going concern concept. Determining the financial sustainability of the organisation requires an assessment of its anticipated resources in the medium term. Any identified significant risk to financial sustainability is likely to form part of the risks disclosures included in the wider performance report, but is a separate matter from the going concern assessment.

PFI Accounting Treatment

The Royal Derby Hospital was built and financed through a PFI contract. The contract requires the PFI operator to provide a wide range of facilities management services until the contract end in 2043. Part of the unitary payment for the PFI scheme is uplifted on an annual basis by the Retail Price Index (RPI), with the remainder uplifted by a fixed 2.5%. The Trust has accounted for the fixed increase as operating expenditure

on the basis that management are confident that the inflator is only applicable to the service charge element of the unitary payment. Management have based this view on the discussions at the time with the funders which were incorporated in the original business case.

If the fixed inflator was applied to the capital and interest elements of the scheme. This would have the impact of increasing the scheme's implicit interest rate; an increase in the level of interest payable; a reduction in the level of debt repayable in the early years of the contract, but an increase in the later years; an improvement in the Trust's earnings before interest, depreciation, tax and amortisation; and a decrease in the Trust's net surplus/increase in the Trust's net deficit. Further information on the cost of the PFI scheme is provided in note 52.

PFI Depreciation
Management has reviewed how depreciation is applied to the Royal Derby Hospital (RDH) PFI asset. The current PFI contract runs to September 2043. Following this date, the PFI asset will be handed over to the Trust in condition B, as per the PFI contract schedule 24.

The Trust appointed Valuer has determined the residual value of the PFI is estimated to be £235m as at 2043. The Trust will depreciate the PFI asset to the residual value over a period of 22 years (2021/2043).

Provision for Employer and Public Liability Claims
The provision has been calculated based upon information received from NHS Resolution which handles claims on behalf of the Trust. The calculation is based upon the amount of the claim received plus any expected legal costs. This is adjusted to reflect the NHS Resolution view of the likelihood of the claim succeeding.

Provision for Permanent Injury Benefits and Early Retirements due to Ill Health
The provision has been calculated based upon information received from NHS Pensions. The calculation is based upon future payments for each recipient based upon their life expectancy, calculated using life tables provided by the Government Actuaries Department (GAD), discounted at a rate of minus 0.95% (was -0.50% 2019-20) to reflect the timing of future payments.

Provision for Bad Debt – Injury Cost Recovery Scheme
The NHS Injury Costs Recovery (ICR) scheme aims to recover the cost of NHS treatment where personal injury compensation is paid, for example after a road traffic accident. Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. For 2020-21 this figure is 22.43%. (2019-20 21. 79%).Therefore, 22.43% of accrued ICR revenue is included within the provision for impairment of receivables. This aligns to the IFRS 9 simplified approach to impairments, in which a loss allowance equal to the lifetime expected credit losses, must be recognised for contract assets (accrued income).

Valuation of Property, Plant and Equipment
The Trust building assets held by Derby Teaching Hospitals NHS Foundation Trust prior to the merger on 1 July 2018 were revalued by a RICS qualified Valuer from Avison Young Ltd on 31 March 2015. Avison Young Ltd carried out a desktop revaluation exercise to update these asset values as at 31 March 2019. A desktop

valuation is an exercise whereby the Trust provides an updated information to the Valuer on capital additions since the last valuation and any significant changes to the use of the land and buildings. The Valuer does not carry out full site inspections for this type of revaluation.

The building assets transferred from Burton Hospitals NHS Foundation Trust (BHFT) were revalued by Avison Young Ltd on 31 March 2018. Avison Young Ltd carried out a desktop revaluation exercise as at 31 March 2019.

Prior to merger BHFT carried out a revaluation exercise as at 1 April 2017 using the "Single Site Modern Equivalent Asset Alternative Site" basis. This assumes the assets would be replaced with a modern equivalent, i.e. not a building of identical design but with the same service potential as existing assets. This was done in conjunction with BHFT's professional valuers, Avison Young Ltd. The impact of this was to reduce the value of Land and Buildings as at 1st April 2017 by £18.56 million. A further valuation was carried out at 31 March 2018 using the same basis to ensure a true and fair view was reflected. This increased the value of net assets by £2.3 million. No valuation was undertaken at 30th June 2018 and therefore assets transferred to the merged Trust at their 31 March 2018 value.

As at 31 March 2020 the Trust received an updated full valuation from Avison Young Ltd. On review of the valuation exercise impact on the value of land and properties, the Trust has found the movements in value to be immaterial and therefore did not apply any changes to land and property value in its accounts for 2019/2020, with the exception of the impairment of any building which the Trust has vacated and intends to demolish.

During 20/21 the Trust instructed Gerald Eve to undertake a full revaluation exercise of all Trust land and buildings. Site visits were undertaken in December 20. Updated asset lives and values have been presented.

Queens Hospital Burton, Samuel Johnson Hospital, and Sir Robert Peel Hospital continue to be valued on a single site basis with the assumption services would be provided within a footprint of 60,000 Sq/m. The Treatment centre at Burton which became operational on the 1st June 2020 has been excluded from this single site valuation and has been valued on the basis of a like for like reprovision of the building.

The London Road Community Hospital (LRCH) has also been valued on single site basis, with the assumption it would be provided on the same site as the Royal Derby Hospital. This assumption is based on the relatively small number of services provided at LRCH which could more efficiently be provided within the main hospital site, if it were to be rebuilt.

The impact of COVID-19 may have an impact on the future space requirements of the Trust however it is currently difficult to determine with any degree of certainty the space requirements for clinical or support services in the future and therefore the Trust considers the current assumptions with regards to the valuation on a single to site continue to be a reasonable basis for valuation

Burton Treatment Centre

The Treatment centre at Burton was opened on the 1st June 2020. The building was constructed and is leased to the Trust by D-Hive Ltd, a wholly owned subsidiary of the Trust. A review of the lease contract between D-Hive and the Trust against the IAS 17 criteria for the determination of a finance or operating lease has resulted in the lease being classified as an operating lease for the Trust.

This results in the Treatment centre being accounted for as on Statement of Financial Position (SoFP) for D-Hive Ltd, Off SoFP for the Trust, with lease payments expensed directly to the Statement of Comprehensive Income (SoCI). The Group Accounts will account for the Treatment Centre as on SoFP, reflecting the fact the building is an owned building within the UHDB Group.

Income from Commissioners

No formal contracts have been signed between providers and commissioners for financial year 20/21. The NHS income regime for 20/21 was implemented as a result of the COVID-19 pandemic. Income received by the Trust has been paid as a block payment one month in advance throughout the financial year. The Trust has continued to account for block revenue under IFRS 15. Although IFRS 15 is titled “Revenue from contracts with customers”, it specifies that contracts may be written, oral or implied by customary business practices. The absence of a formal written contract does not take the revenue out of the scope of this standard. Business practice for this financial year has been defined by NHSI/E guidance, therefore block income received throughout the year remains within the scope of IFRS 15.

Note 2 Operating Segments

The Trust's Activity is organised into four clinical Divisions, each of which provide healthcare services and one corporate segment. The tables below analyse the operational Income and Expenditure of the Trust.

	£000	£000	£000	£000	£000	£000	£000	£000
2020/21	**Cancer, Diagnostic & Clinical Support**	**Medicine**	**Surgery**	**Women & Children's**	**Trust Wide Services**	**Trust Total**	**Sub-Co's & Charity**	**Group Total**
Income From Activities	81,891	234,964	139,826	92,473	226,269	775,423	-	775,423
Other Operating Income	21,809	8,030	7,320	4,322	193,246	234,727	1,997	236,724
Total Income	**103,700**	**242,994**	**147,147**	**96,795**	**419,515**	**1,010,151**	**1,997**	**1,012,148**
Employee Costs	(111,543)	(167,491)	(141,336)	(63,786)	(139,873)	(624,029)	(2,103)	(626,132)
Drugs (including Gases)	(11,245)	(10,117)	(6,168)	(2,233)	(56,214)	(85,976)	-	(85,976)
Other Supplies and Services	(36,719)	(14,230)	(23,596)	(13,635)	(191,267)	(279,449)	(218)	(279,667)
Total Expenditure	**(159,507)**	**(191,838)**	**(171,100)**	**(79,654)**	**(387,354)**	**(989,454)**	**(2,321)**	**(991,775)**
Operating Surplus/ (Deficit)	**(55,807)**	**51,156**	**(23,954)**	**17,140**	**32,161**	**20,697**	**(324)**	**20,373**

	£000	£000	£000	£000	£000	£000	£000	£000
2019/20 Restated	**Cancer, Diagnostic and Clinical Support**	**Medicine**	**Surgery**	**Women & Children's**	**Trust Wide Services**	**Trust Total**	**Sub-Co's & Charity**	**Group Total**
Income From Activities	96,083	266,335	211,939	105,440	81,758	761,555	-	761,555
Other Operating Income	12,193	4,394	3,244	4,691	71,055	95,577	3,383	98,960
Total Income	**108,276**	**270,729**	**215,183**	**110,131**	**152,813**	**857,132**	**3,383**	**860,515**
Employee Costs	(107,095)	(163,889)	(144,164)	(64,407)	(101,387)	(580,942)	(1,701)	(582,643)
Drugs (including Gases)	(9,185)	(10,269)	(7,799)	(2,269)	(57,127)	(86,649)	-	(86,649)
Other Supplies and Services	(38,573)	(16,473)	(35,723)	(4,322)	(125,661)	(220,752)	(2,943)	(223,695)
Total Expenditure	**(154,853)**	**(190,631)**	**(187,686)**	**(70,998)**	**(284,175)**	**(888,343)**	**(4,644)**	**(892,987)**
Operating Surplus/ (Deficit)	**(46,577)**	**80,098**	**27,497**	**39,133**	**(131,362)**	**(31,211)**	**(1,261)**	**(32,472)**

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 1.4.

Note 3.1 Income from Patient Care Activities (By Nature)

	2020/21	2019/20
	£000	£000
Acute services		
Block contract / system envelope income*	820,992	675,528
costs)	-	56,485
Other NHS clinical income	1,467	424
Private patient income	2,343	5,151
Additional pension contribution central funding**	23,604	22,324
Other clinical income	10,590	1,643
Total Income from Activities	**858,996**	**761,555**

*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)

	2020/21	2019/20
Income from patient care activities received from:	**£000**	**£000**
NHS England	158,642	159,642
Clinical commissioning groups	695,933	585,266
Other NHS providers	916	9,851
Local authorities	-	-
Non-NHS: private patients	2,343	5,151
Non-NHS: overseas patients (chargeable to patient)	-	183
Injury cost recovery scheme	1,162	1,459
Non NHS: other	-	3
Total Income from Activities	**858,996**	**761,555**
of which:		
Related to continuing operations	858,996	761,555
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	-	183
Cash payments received in-year	33	125
receivables	-	-
Amounts written off in-year	81	53

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	2,630	-	**2,630**	2,141	-	**2,141**
Education and training	33,435	-	**33,435**	32,181	-	**32,181**
Provider sustainability fund (2019/20 only)	-	-	-	4,739	-	**4,739**
Financial recovery fund (2019/20 only)	-	-	-	536	-	**536**
Marginal rate emergency tariff funding (2019/20 only)	-	-	-	10,323	-	**10,323**
Reimbursement and top up funding	59,772		**59,772**	-	-	-
Receipt of capital grants and donations	-	1,711	**1,711**	-	746	**746**
Charitable and other contributions to expenditure (note 28)	-	13,457	**13,457**	-	-	-
Rental revenue from operating leases (note 10.1)	-	970	**970**	-	1,014	**1,014**
Charitable fund incoming resources	-	2,514	**2,514**	-	2,547	**2,547**
Other income	38,663	-	**38,663**	44,733	-	**44,733**
Total Other Operating Income	**134,500**	**18,652**	**153,152**	**94,653**	**4,307**	**98,960**
of which:						
Related to continuing operations			153,152			98,960
Related to discontinued operations			-			-

Note 5 Additional Information (Group)

Note 5.1 Additional Information on Contract Revenue (IFRS 15) Recognised in the Period

	31 March 2021	31 March 2020
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	-	-
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction Price Allocated to Remaining Performance Obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2021 £000	31 March 2020 £000
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total Revenue Allocated to Remaining Performance Obligations	-	-

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 5.3 Profits and Losses on Disposal of Property, Plant and Equipment

The Trust disposed of medical equipment. The sales proceeds of £20k (Statement of Cash Flows) were received and the net book value of the assets disposed was £891k (note 20 PPE and note 55 Losses and special payments) resulting in a loss on loss on disposed was £871k (note 8 Other gains / (losses).

Note 5.4 Fees and Charges (Group)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2020/21	2019/20
	£000	£000
Income	4,155	8,284
Full cost	(2,575)	(3,013)
Surplus / (Deficit)	**1,580**	**5,271**

Note 6 Operating expenses (Group)

Note 6.1 Operating expenses (Group)

		Restated
	2020/21	2019/20
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	-	37
Staff and executive directors costs	620,266	580,059
Remuneration of non-executive directors	192	186
Supplies and services - clinical (excluding drugs costs)	62,432	67,530
Supplies and services - general	49,046	32,914
drugs)	85,952	86,459
Inventories written down (note 35)	1,530	190
Consultancy costs	1,462	1,811
Establishment	3,661	4,443
Premises	33,816	23,623
Transport (including patient travel)	1,237	2,368
Depreciation on property, plant and equipment (note 20 CY, note 21 PY)	23,135	16,382
Amortisation on intangible assets (note 16 CY, note 17 PY)	2,634	2,222
Net impairments (note 7)	19,712	709
Movement in credit loss allowance: all other receivables and investments	999	(9,280)
Increase/(decrease) in other provisions	-	4,857
Change in provisions discount rate(s)	167	490
Audit fees payable to the external auditor		
audit services- statutory audit (including VAT where applicable)	132	116
other auditor remuneration (external auditor only)	-	-
Internal audit costs	173	140
Clinical negligence	24,029	21,221
Legal fees	355	1,369
Insurance	221	163
Research and development	2,969	301
Education and training	5,026	6,637
Rentals under operating leases (note 10.2)	1,585	2,129
Redundancy	-	206
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PF	45,357	41,329
Car parking & security	196	489
Hospitality	28	123
Losses, ex gratia & special payments	307	280
Other services, eg external payroll	3,450	1,303
Other NHS charitable fund resources expended	1,447	2,180
Other	258	-
Total	**991,775**	**892,987**
of which:		
Related to continuing operations	991,775	892,987
Related to discontinued operations	-	-

Note 6.2 Auditor Remuneration (Group)

The Trust's external audit fee with Mazars LLP for 2020-2021 is £88,600 excl. VAT and £106,320 incl. VAT (£75,000 excl. VAT and £90,000 incl. VAT for 2019-20). D-Hive Limited and subsidiary companies external audit fees total £18,000 for 2020-2021 (£18,000 for 2019-20). Derby and Burton Hospitals Charity external fees total £8,100 for 2020-2021 (£7,200 for 2019-20). Both D-Hive Limited and Derby and Burton Charity are audited by Smith Cooper LLP.

Note 6.3 Other Auditor Remuneration (Group)

	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
Total	-	-

Note 6.4 Limitation on Auditor's Liability (Group)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020-2021 or 2019-2020.

Note 7 Impairment of Assets (Group)

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	19,656	709
Other	56	-
Total Net Impairments charged to Operating Surplus / Deficit	**19,712**	**709**
Impairments charged to the Revaluation Reserve	15,700	689
Total Net Impairments	**35,412**	**1,398**

A Full Valuation of the Trust's Property estate was conducted by Gerald Eve LLP an independent firm of Professional Valuers at 31 March 2021 resulting in a number of impairments of the Trust's buildings (see list below). The impairment of £2.367m relates to the newly built Burton Queens Treatment Centre which has been valued by Professional Valuers Gerald Eve LLP at 31 March 2021 for the unencumbered freehold. The buildings impaired include the following:

	2020/21
	£000
Rehab Block RDH	5,711
Phase 1 Basement QHB	5,053
MAU / SAU / CCU PFI	969
Cath lab building now part of Phase 2	862
Manor Road Carpark D-hive surfaced car park	849
Main Site - LRCH	727
Site Infrastructure Incl Parking	716
Site Infrastructure Incl Parking for SJCH	708
Phase 2 Block	318
Sir Robert Peel	300
Lister Close	224
RDH infrastructure (externals)	148
Car park 2 RDH	146
Outwoods Operational Land	120
LRCH Land	112
83 Breast Unit	108
Others below £100k	218
Sub-Total Buildings	**17,289**
Other impairment	56
Group impairment of QHB Treatment Centre	2,367
Total	**19,712**

Note 8 Employee Benefits (Group)

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	463,188	423,244
Social security costs	44,643	40,874
Apprenticeship levy	2,209	2,077
Employer's contributions to NHS pensions	76,332	72,332
Pension cost - other	148	244
Termination benefits	-	-
Temporary staff (including agency)	42,042	48,124
NHS charitable funds staff	914	973
Total Gross Staff Costs	**629,476**	**587,869**
Recoveries in respect of seconded staff	(1,208)	(3,865)
Total Staff Costs	**628,268**	**584,004**
of which		
Costs capitalised as part of assets	2,136	1,361

Note 8.1 Retirements Due to Ill-Health (Group)

During 2020/21 there were 9 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £188k (£45k 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 (Group)

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care 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.

National Employment Savings Trust (NEST) Pension

Where Trust employees are not eligible to join the NHS pension scheme they are auto-enrolled into the NEST pension scheme. The Trust is required to make an employer's contribution of 3% of the employee's salary to this scheme; this year the Trust has contributed a total of £151,645 (2019-20 £114,089).

Note 10 Operating leases (Group)

Note 10.1 University Hospitals of Derby and Burton NHS Foundation Group as a Lessor

This note discloses income generated in operating lease agreements where University Hospitals of Derby and Burton NHS Foundation Trust is the lessor.

During the year the Trust owned and leased out the ground floor premises of block B of the London Road Community Hospital to Derbyshire Healthcare NHS Foundation Trust.

The lease period is from January 2006 to January 2041 at an annual rent of £0.573m. This has been reported within other operating income.

	2020/21	2019/20
	£000	£000
Operating lease revenue		
Minimum lease receipts	970	1,014
Contingent rent	-	-
Other	-	-
Total	**970**	**1,014**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	977	1,010
- later than one year and not later than five years;	2,350	2,460
- later than five years.	8,451	8,452
Total	**11,778**	**11,922**

Note 10.2 University Hospitals of Derby and Burton NHS Foundation Group as a Lessee

This note discloses costs and commitments incurred in operating lease arrangements where University Hospitals of Derby and Burton NHS Foundation Trust is the lessee.

The Trust holds a number of leases in respect of property, vehicles and equipment. These have been classed as operating leases under IAS 17.

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	1,585	2,129
Contingent rents	-	-
Less sublease payments received	-	-
Total	**1,585**	**2,129**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,387	1,262
- later than one year and not later than five years;	2,334	2,051
- later than five years.	3,018	2,454
Total	**6,739**	**5,767**
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	54	200
NHS charitable fund investment income	276	364
Total Finance Income	**330**	**564**

Note 12 Finance Expenditure (Group)

Note 12.1 Finance Expenditure (Group)

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

		Restated
	2020/21	2019/20
	£000	£000
Interest Expense:		
Loans from the Department of Health and Social Care	-	5,413
Finance leases	68	5
Main finance costs on PFI schemes obligations	15,612	15,849
Total interest expense	**15,680**	**21,267**
Unwinding of discount on provisions	115	152
Other finance costs	309	195
Total Finance Costs	**16,104**	**21,614**

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 payments	-	-
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 / (Losses) (Group)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	18	-
Losses on disposal of assets	(891)	(14)
Total Gains / (Losses) on Disposal of Assets	**(873)**	**(14)**
Fair value gains / (losses) on charitable fund investments & investment properties (note 32)	1,997	(1,089)
Total Other Gains / (Losses)	**1,124**	**(1,103)**

Note 14 Trust Income Statement and Statement of Comprehensive Income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's surplus/(deficit) for the period was (£3.3) million (2019/20: (£52.9) million). The Trust's total comprehensive income/(expense) for the period was £30.1 million (2019/20: (£53.5 million).

Note 15 Discontinued Operations (Group)

	2020/21	2019/20
	£000	£000
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
Total	-	-

Note 16 Group Intangible Assets – 2020-2021

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	11,036	4,384	139	15,558
Additions	966	-	-	966
Reclassifications	615	-	-	615
Transfers to / from assets held for sale	-	-	(5)	(5)
Valuation / gross cost at 31 March 2021	12,617	4,384	134	17,134
Amortisation at 1 April 2020 - brought forward	8,335	1,136	-	9,471
Provided during the year (note 6.1)	2,634	-	-	2,634
Amortisation at 31 March 2021	10,969	1,136	-	12,105
Net book value at 31 March 2021	1,647	3,248	134	5,029
Net book value at 1 April 2020	2,701	3,248	139	6,087

Note 17 Group Intangible Assets – 2019-2020

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	10,342	4,384	107	14,833
Additions	681	-	32	713
Reclassifications	13	-	-	13
Valuation / gross cost at 31 March 2020	11,036	4,384	139	15,558
Amortisation at 1 April 2019 - brought forward	6,410	839	-	7,249
Provided during the year (note 6.1)	1,925	297	-	2,222
Amortisation at 31 March 2020	8,335	1,136	-	9,471
Net book value at 31 March 2020	2,701	3,248	139	6,087
Net book value at 1 April 2019	3,932	3,545	107	7,584

Note 18 Trust Intangible Assets – 2020-2021

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	10,958	4,384	138	15,479
Additions	937	-	(5)	932
Reclassifications	891	-	-	891
Valuation / gross cost at 31 March 2021	12,786	4,384	133	17,302
Amortisation at 1 April 2020 - brought forward	8,252	1,136	-	9,388
Provided during the year	2,904	-	-	2,904
Amortisation at 31 March 2021	11,156	1,136	-	12,292
Net book value at 31 March 2021	1,629	3,248	133	5,010
Net book value at 1 April 2020	2,706	3,248	138	6,091

Note 19 Trust Intangible Assets – 2019-2020

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	10,264	4,384	106	14,754
Additions	681	-	32	713
Reclassifications	13	-	-	13
Valuation / gross cost at 31 March 2020	10,958	4,384	138	15,479
Amortisation at 1 April 2019 - brought forward	6,327	839	-	7,166
Provided during the year	1,925	297	-	2,222
Amortisation at 31 March 2020	8,252	1,136	-	9,388
Net book value at 31 March 2020	2,706	3,248	138	6,091
Net book value at 1 April 2019	3,937	3,545	106	7,588

Note 20 Group Property, Plant and Equipment - 2020-2021

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**26,966**	**440,899**	**1,031**	**69,221**	**89,722**	**514**	**20,354**	**4,249**	**652,955**
Transfers by absorption	-	-	-	-	779	-	-	-	**779**
Additions	100	6,463	-	34,154	5,393	38	1,021	-	**47,168**
Impairments	(4,535)	(29,060)	-	-	-	-	-	-	**(33,595)**
Reversals of impairments	606	-	-	-	-	-	-	-	**606**
Revaluations	-	48,427	184	-	-	-	-	-	**48,611**
Reclassifications	160	34,779	-	(54,950)	9,035	140	10,221	-	**(615)**
Disposals / derecognition	-	-	-	(891)	(1,062)	-	-	-	**(1,953)**
Valuation/gross cost at 31 March 2021	**23,297**	**501,508**	**1,215**	**47,534**	**103,867**	**692**	**31,596**	**4,249**	**713,957**
Accumulated depreciation at 1 April 2020 - brought forward	-	**6,388**	**48**	-	**57,308**	**468**	**15,082**	**3,767**	**83,060**
Transfers by absorption	-	-	-	-	579	-	-	-	**579**
Provided during the year (note 6.1)	-	9,978	58	-	8,189	38	4,656	216	**23,135**
Impairments	-	2,423	-	-	-	-	-	-	**2,423**
Revaluations	-	-	(106)	-	-	-	-	-	**(106)**
Disposals / derecognition	-	-	-	-	(1,062)	-	-	-	**(1,062)**
Accumulated depreciation at 31 March 2021	-	**18,789**	**(0)**	-	**65,014**	**506**	**19,739**	**3,983**	**108,029**
Net book value at 31 March 2021	**23,297**	**482,719**	**1,215**	**47,534**	**38,853**	**186**	**11,857**	**266**	**605,927**
Net book value at 1 April 2020	**26,966**	**434,511**	**983**	**69,221**	**32,414**	**46**	**5,272**	**482**	**569,895**

The freehold property known as University Hospitals of Derby and Burton NHS Foundation Trust was valued as at 31 March 2021 by an external Valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements

of the RICS Valuation – Global Standard 2020 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis. The valuation was reported under a special assumption that the Trust held the unencumbered freehold of the Property and had full ownership of all modular buildings and external plant buildings at the Property.

Note 21 Group Property, Plant and Equipment – 2019-2020

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**26,967**	**437,616**	**1,517**	**33,488**	**85,614**	**545**	**19,176**	**4,256**	**609,180**
Additions	-	2,912	-	38,168	6,367	-	1,168	4	**48,620**
Impairments	-	(928)	(75)	(736)	-	-	-	-	**(1,739)**
Reversals of impairments	-	341	-	-	-	-	-	-	**341**
Revaluations	-	241	(410)	-	(708)	-	-	-	**(877)**
Reclassifications	(1)	716	(1)	(1,700)	971	2	11	(11)	**(13)**
Disposals / derecognition	-	-	-	-	(2,522)	(33)	(0)	-	**(2,556)**
Valuation/gross cost at 31 March 2020	**26,966**	**440,899**	**1,031**	**69,221**	**89,722**	**514**	**20,354**	**4,249**	**652,955**
Accumulated depreciation at 1 April 2019 - brought forward	-	**0**	**0**	-	**52,719**	**477**	**13,204**	**3,385**	**69,785**
Provided during the year (note 6.1)	-	6,606	66	-	7,427	23	1,879	381	**16,382**
Revaluations	-	(218)	(19)	-	(640)	-	-	-	**(877)**
Disposals / derecognition	-	-	-	-	(2,198)	(32)	(0)	-	**(2,231)**
Accumulated depreciation at 31 March 2020	-	**6,388**	**48**	-	**57,308**	**468**	**15,082**	**3,767**	**83,060**
Net book value at 31 March 2020	**26,966**	**434,511**	**983**	**69,221**	**32,414**	**46**	**5,272**	**482**	**569,895**
Net book value at 1 April 2019	**26,967**	**437,616**	**1,517**	**33,488**	**32,895**	**69**	**5,972**	**870**	**539,394**

Note 22 Trust Property, Plant and Equipment – 2020-2021

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**26,966**	**440,663**	**1,031**	**45,478**	**90,162**	**514**	**20,345**	**4,243**	**629,401**
Transfers by absorption	-	-	-	-	779	-	-	-	**779**
Additions	-	6,535	-	31,888	5,397	38	1,021	-	**44,878**
Impairments	(4,535)	(29,060)	-	-	-	-	-	-	**(33,595)**
Reversals of impairments	606	-	-	-	-	-	-	-	**606**
Revaluations	-	48,427	184	-	-	-	-	-	**48,611**
Reclassifications	-	13,395	-	(32,047)	7,816	-	10,221	-	**(615)**
Disposals / derecognition	-	-	-	(891)	(1,062)	-	-	-	**(1,953)**
Valuation/gross cost at 31 March 2021	**23,037**	**479,960**	**1,215**	**44,428**	**103,092**	**552**	**31,587**	**4,243**	**688,113**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**6,391**	**48**	**-**	**57,251**	**468**	**15,080**	**3,768**	**83,005**
Transfers by absorption	-	-	-	-	579	-	-	-	**579**
Provided during the year	-	9,545	58	-	8,172	23	4,656	216	**22,670**
Impairments	-	56	-	-	-	-	-	-	**56**
Revaluations	-	-	(106)	-	-	-	-	-	**(106)**
Disposals / derecognition	-	-	-	-	(1,078)	-	-	-	**(1,078)**
Accumulated depreciation at 31 March 2021	**-**	**15,992**	**(0)**	**-**	**64,924**	**491**	**19,737**	**3,984**	**105,126**
Net book value at 31 March 2021	**23,037**	**463,968**	**1,215**	**44,428**	**38,168**	**61**	**11,850**	**259**	**582,986**
Net book value at 1 April 2020	**26,966**	**434,272**	**983**	**45,478**	**32,911**	**46**	**5,265**	**475**	**546,396**

The freehold property known as University Hospitals of Derby and Burton NHS Foundation Trust was valued as at 31 March 2021 by an external Valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2020 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis. The valuation was reported under a special assumption that the Trust held the unencumbered freehold of the Property and had full ownership of all modular buildings and external plant buildings at the Property.

Note 23 Trust Property, Plant and Equipment - 2019-2020

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**26,967**	**437,721**	**1,517**	**22,906**	**86,091**	**545**	**19,167**	**4,250**	**599,165**
Additions	-	2,912	-	24,271	6,330	-	1,168	4	**34,686**
Impairments	-	(712)	(75)	-	-	-	-	-	**(787)**
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	25	(410)	-	(708)	-	-	-	**(1,093)**
Reclassifications	(1)	716	(1)	(1,700)	971	2	11	(11)	**(13)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(2,522)	(33)	(0)	-	**(2,556)**
Valuation/gross cost at 31 March 2020	**26,966**	**440,663**	**1,031**	**45,478**	**90,162**	**514**	**20,345**	**4,243**	**629,401**
Accumulated depreciation at 1 April 2019 - brought forward	-	**0**	**0**	-	**52,679**	**477**	**13,202**	**3,386**	**69,744**
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	6,609	66	-	7,410	23	1,879	381	**16,368**
Impairments	-	0	-	-	-	-	-	-	**0**
Revaluations	-	(218)	(19)	-	(640)	-	-	-	**(877)**
Disposals / derecognition	-	-	-	-	(2,198)	(32)	(0)	-	**(2,231)**
Accumulated depreciation at 31 March 2020	-	**6,391**	**48**	-	**57,251**	**468**	**15,080**	**3,768**	**83,005**
Net book value at 31 March 2020	**26,966**	**434,272**	**983**	**45,478**	**32,911**	**46**	**5,265**	**475**	**546,396**
Net book value at 1 April 2019	**26,967**	**437,721**	**1,517**	**22,906**	**33,412**	**69**	**5,965**	**863**	**529,420**

Note 24 Group Property, Plant and Equipment Financing - 2020-2021

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	23,297	141,066	1,215	46,882	22,515	186	11,508	198	-	**246,867**
Finance leased	-	-	-	-	2,332	-	153	-	-	**2,485**
On-SoFP PFI contracts and other service concession arrangements	-	338,200	-	238	10,433	-	50	7	-	**348,928**
Owned - donated/granted	-	3,453	-	414	3,573	-	146	61	-	**7,647**
NBV total at 31 March 2021	**23,297**	**482,719**	**1,215**	**47,534**	**38,853**	**186**	**11,857**	**266**	-	**605,927**

Note 25 Group Property, Plant and Equipment Financing - 2019-2020

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	26,966	109,859	983	64,690	19,837	37	5,162	330	-	**227,864**
Finance leased	-	714	-	4,455	10,170	-	4	-	-	**15,343**
On-SoFP PFI contracts and other service concession arrangements	-	321,846	-	-	-	-	-	-	-	**321,846**
Owned - donated/granted	-	2,092	-	76	2,407	9	106	152	-	**4,842**
NBV total at 31 March 2020	**26,966**	**434,511**	**983**	**69,221**	**32,414**	**46**	**5,272**	**482**	-	**569,895**

Note 26 Trust Property, Plant and Equipment Financing - 2020-2021

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	23,037	122,315	1,215	43,775	22,718	61	11,501	192	**224,814**
Finance leased	-	-	-	-	2,332	-	153	-	**2,485**
On-SoFP PFI contracts and other service concession arrangements	-	338,200	-	238	10,433	-	50	7	**348,928**
Owned - donated/granted	-	3,453	-	414	2,684	-	146	61	**6,758**
NBV total at 31 March 2021	**23,037**	**463,968**	**1,215**	**44,427**	**38,167**	**61**	**11,850**	**260**	**582,985**

Note 27 Trust Property, plant and equipment financing - 2019/20

Note 27 Property, Plant and Equipment Financing - 2019/20									
Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	26,966	109,620	983	40,946	19,013	37	5,155	324	**203,044**
Finance leased	-	714	-	4,455	11,491	-	4	-	**16,664**
On-SoFP PFI contracts and other service concession arrangements	-	321,846	-	-	-	-	-	-	**321,846**
Owned - donated/granted	-	2,092	-	76	2,407	9	106	152	**4,842**
NBV total at 31 March 2020	**26,966**	**434,272**	**983**	**45,477**	**32,911**	**46**	**5,265**	**476**	**546,396**

Note 28 Donations of Property, Plant and Equipment

The Trust received a donation of £13.457m of funding from the DHSC for consumable items such as personal protective equipment (PPE) due to the Corona virus pandemic.

No cash donations were made in 2020/21.

Note 29 Revaluations of Property, Plant and Equipment

Assets are no longer routinely subject to annual indexation. Property is valued at current value based on a modern equivalent basis (MEAV) as required by HM Treasury. As a minimum, a full revaluation is required to be undertaken every five years with an interim valuation every three years. An assessment of changes in property values is undertaken during the intervening years. The Trust engaged Gerald Eve LLP, an independent firm of professional Valuers, to undertake its 2020/21 Full Valuation and assess the continuing changes in property values of the UHDB Estate.

The 2020/21 valuation resulted in an impairment on some Trust properties and upward revaluations on other buildings, with an overall net increase of £13.3m in the value of the Trust asset base (including in year 2020/21 capital additions).

A summary of the valuation is shown below:

	£000	£000
Upward Valuation to Revaluation Reserve	48,717	
Upward Valuation Reversal of Previous Impairments	0	48,717
Downward Valuation / Impairment transferred to Revaluation Reserve	(15,755)	
Downward Valuation / Impairment transferred to SoCI (note 7)	(19,657)	(35,412)
Total Impact of Valuation		**13,305**

Note 30 Investment Property

Note 30.1 Investment Property

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	-	-	-	-
Carrying value at 31 March	-	-	-	-

Note 30.2 Investment Property Income and Expenses (Group)

	2020/21	2019/20
	£000	£000
Total Investment Property Income and Expenses	-	-

Note 31 Investments in Associates and Joint Ventures

The Group has no other investments in associates or joint ventures.

Note 32 Other Investments / Financial Assets (Non-Current)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**7,905**	**8,962**	**28,125**	**15,625**
Acquisitions in year	315	32	-	12,500
Movement in fair value through profit and loss	1,997	(1,089)	-	-
Carrying value at 31 March	**10,217**	**7,905**	**28,125**	**28,125**

The Trust has made no investments during the financial year. Acquisitions in the year include D-Hive Ltd investment in Stride LLP (£290k) and the Charity (£25k).

The Group gains on Other investments are due to the Derby and Burton Hospitals Charity.

The Trust has one subsidiary company, D-Hive Limited. This company structure contains three further subsidiaries, Clinicians Connected Limited, Derby Health Staffing Limited, and Pride Pharmacy Limited. The Trust also has one Charity, Derby and Burton Hospitals Charity, which is consolidated. Following additional investment, the Pride Pharmacy outpatient pharmacy including a retail outlet opened during the year.

D-Hive Limited and its subsidiary companies produce accounts under United Kingdom Generally Accepted Accounting Practice.

Additionally, at year end the Trust was a 50% partner in STRIDE LLP a Joint Venture partnership. During the financial year D-Hive Ltd has purchased the other 50 % and so the group now controls this entity. However, the results to date are not material and therefore are excluded from the Group Financial Statements.

D-Hive Limited

D-Hive Limited (company no. 06982953) was set up by the Trust in 2015-16 with the intention that it will be a trading entity and deliver a variety of profitable, commercially led opportunities covering pharmacy, manufacturing and managed services to customers both within and outside of the health community. The Trust has invested £28.125m into D-Hive Limited.

D-Hive Limited is the sole shareholder of the following three subsidiary companies;

Clinicians Connected Limited (company no.10250431) which began operating in 2016. The purpose of Clinicians Connected Ltd is to provide the health community with more cost effective access to overseas medical professionals, reducing the cost of recruitment.

Derby Health Staffing Limited (company number 11425097) began operating in 2018.This company was established to provide clinical bank staff to the Trust to fulfil the Trust's flexible staffing requirements.

Pride Pharmacy Limited (company number 11508893) was established in 2018. This company commenced trading in October 2019, and was established to provide a range of pharmacy related services, including a homecare medicines service, and operation of the main outpatient pharmacy at the Royal Derby Hospital site.

Derby and Burton Hospitals Charity

The Charity (charity no. 1061812) aims to support the delivery of innovative, cost effective and value for money charitable funding, with a focus on ensuring that money is spent effectively to enhance patient care.

- For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the services provided by University Hospitals Derby and Burton NHS FT.
- The Charity's strategic aims over the five-year period of 2016-17 to 2020-21 include reducing the level of reserves held by the Charity by increasing the level of support and expenditure given in achieving its public benefit purpose; to make lives better. The Charity spent £1.4m in the financial year.

Note 32.1 Other Investments / Financial Assets (Current)

The Group and Trust have no other current investments or financial assets.

Note 33 Disclosure of Interests in Other Entities

The Group has no interests in other entities.

Note 34 Analysis of Charitable Fund Reserves

	31 March 2021	31 March 2020
	£000	£000
Unrestricted funds:		
Unrestricted income funds	10,909	8,812
Restricted funds:		
Endowment funds	338	273
Other restricted income funds	379	123
	11,626	**9,208**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 35 Inventories

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Drugs	4,625	4,850	4,625	4,850
Work In progress	1,137	1,443	94	107
Consumables	9,918	8,373	9,918	8,373
Energy	158	169	239	169
Charitable fund inventory	5	9	-	-
Total inventories	**15,843**	**14,844**	**14,876**	**13,499**
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £150,105k (2019/20: £155,740k). Write-down of inventories recognised as expenses for the year were £1,530k (2019/20: £190k). 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 £13,457k 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 36 Receivables

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Contract receivables	20,271	42,405	21,237	43,670
Capital receivables	147	389	147	389
Allowance for other impaired receivables	(3,058)	(2,149)	(3,058)	(2,149)
Prepayments (non-PFI)	8,895	2,759	8,895	2,771
PFI prepayments - capital contributions	449	1,247	446	1,216
PDC dividend receivable	1,608	-	1,608	-
VAT receivable	1,061	6,196	1,987	5,401
Other receivables	520	1,521	1,656	1,499
NHS charitable funds receivables	173	42	-	-
Total current receivables	**30,066**	**52,410**	**32,918**	**52,797**
Non-current				
Prepayments (non-PFI)	2	-	2	-
PFI lifecycle prepayments (capital)	6,388	5,531	6,388	5,531
Other receivables	2,376	2,111	2,376	2,111
Total non-current receivables	**8,766**	**7,642**	**8,766**	**7,642**
of which receivable from NHS and DHSC group bodies:				
Current	8,908	34,222	8,908	34,222
Non-current	2,376	2,111	2,376	2,111

Note 36.1 Allowances for Credit Losses – 2020-2021

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - brought forward	-	2,149	-	2,149
New allowances arising	-	999	-	999
Utilisation of allowances (write offs)	-	(90)	-	(90)
Allowances as at 31 Mar 2021	-	3,058	-	3,058

Note 36.2 Allowances for Credit Losses – 2019-2020

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - brought forward	-	13,301	-	13,301
Transfers by absorption	-	-	-	-
New allowances arising	-	550	-	550
Changes in existing allowances	-	(327)	-	(327)
Reversals of allowances	-	(9,503)	-	(9,503)
Utilisation of allowances (write offs)	-	(1,872)	-	(1,872)
Allowances as at 31 Mar 2020	-	2,149	-	2,149

Note 36.3 Exposure to Credit Risk

Credit Risk

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

Note 37 Other Assets

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current	£000	£000	£000	£000
Other assets	-	-	-	-
Total other current assets	-	-	-	-
Non-current				
Net defined benefit pension scheme asset	-	-	-	-
Other assets	-	-	-	-
Total other non-current assets	-	-	-	-

Note 38 Disposal (Group)

Note 38.1 Non-current Assets Held for Sale and Assets in Disposal Groups

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	-	-	-	-
year	5	-	-	-
Assets sold in year	-	-	-	-
Impairment of assets held for sale	-	-	-	-
Reversal of impairment of assets held for sale	-	-	-	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	5	-	-	-

Note 38.2 Liabilities in Disposal Groups

The Group has no liabilities in disposal groups.

Note 39 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		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
At 1 April	**44,083**	**9,003**	**38,226**	**4,273**
Net change in year	28,580	35,080	29,718	33,953
At 31 March	**72,663**	**44,083**	**67,944**	**38,226**
Broken down into:				
Cash at commercial banks and in hand	8,497	6,051	3,778	194
Cash with the Government Banking Service	64,166	38,032	64,166	38,032
Deposits with the National Loan Fund	-	-	-	-
Other current investments	-	-	-	-
SoFP	**72,663**	**44,083**	**67,944**	**38,226**
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Total Cash and Cash Equivalents as in SoCF	**72,663**	**44,083**	**67,944**	**38,226**

Note 39.1 Third Party Assets Held by the Trust

University Hospitals of Derby and Burton NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Bank balances	-	-
Monies on deposit	150	146
Total Third Party Assets	**150**	**146**

Note 40 Trade and Other Payables

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Trade payables	3,840	26,994	2,340	24,955
Capital payables	15,637	19,010	15,637	19,010
Accruals	52,106	43,064	53,312	41,401
Receipts in advance and payments on account	1,182	1,148	1,182	1,148
Social security costs	6,920	5,975	6,586	5,975
VAT payables	161	256	180	256
Other taxes payable	7,178	6,816	6,263	5,119
Other payables	12,752	12,046	12,300	12,045
NHS charitable funds: trade and other payables	210	417	-	-
Total Current Trade and Other Payables	**99,986**	**115,726**	**97,800**	**109,909**
Non-current				
Total Non-Current Trade and Other Payables	-	-	-	-
of which payables from NHS and DHSC group bodies:				
Current	3,725	17,959	3,725	17,959
Non-current	-	-	-	-

Note 40.1 Early Retirements in NHS Payables Above

The payables note above includes amounts in relation to early retirements as set out below:

Group and Trust	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

Note 41 Other Liabilities- Deferred Income

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	-	2,924	-	2,924
Other deferred income	9,028	6,459	9,028	6,459
Total other current liabilities	**9,028**	**9,383**	**9,028**	**9,383**
Non-current				
Total other non-current liabilities	-	-	-	-

Note 42 Borrowings

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	Restated 31 March 2020
	£000	£000	£000	£000
Current				
Loans from DHSC	-	326,272	-	326,272
Obligations under finance leases	585	672	395	493
Obligations under PFI or other service concession contracts (excl. lifecycle)	9,521	8,452	9,988	8,846
Total Current Borrowings	**10,106**	**335,396**	**10,383**	**335,611**
Non-current				
Obligations under finance leases	2,863	3,318	1,491	1,766
Obligations under PFI or other service concession contracts	273,052	282,190	279,362	287,909
Total Non-Current Borrowings	**275,915**	**285,508**	**280,853**	**289,675**
Total Borrowings	**286,021**	**620,904**	**291,236**	**625,286**
Total Loans from DHSC	-	326,272	-	326,272
Total Obligations under finance leases	3,448	3,990	1,886	2,259
Total Obligations under PFI or other service concession contracts	282,573	290,642	289,350	296,755
Total Borrowings	**286,021**	**620,904**	**291,236**	**625,286**

Note 42.1 Reconciliation of Liabilities Arising from Financing Activities (Group)

Group - 2020/21	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**326,272**	**3,990**	**290,642**	**620,904**
Cash movements:				
Financing cash flows - payments and receipts of principal	(325,160)	(756)	(8,210)	**(334,126)**
Financing cash flows - payments of interest	(1,113)	(115)	(15,612)	**(16,840)**
Non-cash movements:				
Additions	-	214	141	**355**
Application of effective interest rate	1	68	15,612	**15,681**
Other changes	-	47	-	**47**
Carrying value at 31 March 2021	**-**	**3,448**	**282,573**	**286,021**

Group - 2019/20 Restated	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**221,583**	**2,515**	**289,562**	**513,660**
Prior period adjustment	-	-	**12,644**	**12,644**
Carrying value at 1 April 2018 - restated	**221,583**	**2,515**	**302,206**	**526,304**
Cash movements:				
Financing cash flows - payments and receipts of principal	104,319	(1,291)	(9,131)	**93,897**
Financing cash flows - payments of interest	(5,042)	(98)	(16,050)	**(21,190)**
Non-cash movements:				
Additions	-	3,078	154	**3,232**
Application of effective interest rate	5,412	96	15,849	**21,357**
Other changes	-	(310)	(2,386)	**(2,696)**
Carrying value at 31 March 2020	**326,272**	**3,990**	**290,642**	**620,904**

Note 42.2 Reconciliation of Liabilities Arising from Financing Activities (Trust)

Trust - 2020/21	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**326,272**	**2,259**	**296,755**	**625,286**
Cash movements:				
Financing cash flows - payments and receipts of principal	(325,160)	(587)	(8,574)	**(334,321)**
Financing cash flows - payments of interest	(1,113)	(25)	(15,915)	**(17,053)**
Non-cash movements:				
Additions	-	214	1,153	**1,367**
Application of effective interest rate	1	25	15,915	**15,941**
Other changes	-	-	16	**16**
Carrying value at 31 March 2021	**-**	**1,886**	**289,350**	**291,236**

Trust - 2019/20 Restated	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	221,583	1,163	296,237	**518,983**
Prior period adjustment	-	-	12,644	**12,644**
Carrying value at 1 April 2018 - restated	**221,583**	**1,163**	**308,881**	**531,627**
Cash movements:				
Financing cash flows - payments and receipts of principal	104,319	(1,161)	(9,758)	**93,400**
Financing cash flows - payments of interest	(5,042)	(2)	(16,337)	**(21,381)**
Non-cash movements:				
Additions	-	2,559	899	**3,458**
Application of effective interest rate	5,412	2	16,337	**21,751**
Other changes	-	(302)	(3,267)	**(3,569)**
Carrying value at 31 March 2020	**326,272**	**2,259**	**296,755**	**625,286**

Note 43 Other Financial Liabilities

The Group has no other financial liabilities.

Note 44 Finance Leases

Note 44.1 University Hospitals of Derby and Burton NHS Foundation Group as a Lessor

Future lease receipts due under finance lease agreements where the trust is the lessor:

The Group and Trust have no finance lease receivables.

Note 44.2 University Hospitals of Derby and Burton NHS Foundation Group as a Lessee

Obligations under finance leases where the Trust is the lessee.

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Gross lease liabilities	**3,866**	**4,524**	**1,954**	**8,444**
of which liabilities are due:				
- not later than one year;	687	788	414	887
years;	2,176	2,210	1,083	3,342
- later than five years.	1,003	1,526	457	4,215
Finance charges allocated to future periods	(418)	(534)	(68)	(52)
Net Lease Liabilities	**3,448**	**3,990**	**1,886**	**8,392**
of which payable:				
- not later than one year;	585	672	395	887
years;	1,908	1,885	1,038	3,342
- later than five years.	955	1,433	453	4,163
Total of future minimum sublease payments to be received at the reporting date	**3,448**	**3,990**	**1,886**	**8,392**
Contingent rent recognised as expense in the pe	-	-	-	-

Note 45 Provisions for Liabilities and Charges Analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Charitable fund provisions	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2020	**774**	**4,066**	**148**	**8,257**	-	**13,245**
Change in the discount rate	14	153	-	-	-	**167**
Arising during the year	11	67	98	9,064	-	**9,240**
Utilised during the year	(79)	(215)	(82)	(293)	-	**(669)**
Reversed unused	(10)	-	(42)	(658)	-	**(710)**
Unwinding of discount	24	91	-	-	-	**115**
Movement in charitable fund provisions	-	-	-	-	-	-
At 31 March 2021	**734**	**4,162**	**122**	**16,370**	-	**21,388**
Expected timing of cash flows:						
- not later than one year;	79	214	122	13,994	-	**14,409**
- later than one year and not later than five y	314	844	-	2,376	-	**3,534**
- later than five years.	341	3,104	-	(0)	-	**3,445**
Total	**734**	**4,162**	**122**	**16,370**	-	**21,388**

Note 46 Provisions for Liabilities and Charges Analysis (Trust)

Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	774	4,066	148	8,257	13,245
Change in the discount rate	14	153	-	-	167
Arising during the year	11	67	98	9,064	9,240
Utilised during the year	(79)	(215)	(82)	(293)	(669)
Reversed unused	(10)	-	(42)	(658)	(710)
Unwinding of discount	24	91	-	-	115
At 31 March 2021	734	4,162	122	16,370	21,388
Expected timing of cash flows:					
- not later than one year;	79	214	122	13,994	14,409
- later than one year and not later than five y	314	844	-	2,376	3,534
- later than five years.	341	3,104	-	(0)	3,445
Total	734	4,162	122	16,370	21,388

Note 47 Clinical Negligence Liabilities

At 31 March 2021, £400,577k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of University Hospitals of Derby and Burton NHS Foundation Trust (31 March 2020: £356,313k).

Note 48 Contingent Assets and Liabilities

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(87)	(139)	(87)	(139)
Gross value of contingent liabilities	(87)	(139)	(87)	(139)
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	(87)	(139)	(87)	(139)
Net value of contingent assets	-	-	-	-

Note 49 Contractual Capital Commitments

Note 49 Contractual Capital Commitments				
	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Property, plant and equipment	4,393	9,605	4,393	9,605
Intangible assets	-	-	-	-
Total	4,393	9,605	4,393	9,605

Note 50 Other Financial Commitments

The Group is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

The Group has no other financial commitments.

Note 51 Defined Benefit Pension Schemes

The Group does not operate any defined pension benefit schemes.

Note 52 On-SoFP PFI Other Service Concession Arrangements

Service Concession Arrangements relate to contracts which include the use and effective control of an asset, such that it is deemed to be an asset of the Trust. These arrangements also incur liabilities to the Trust in relation to the future payments due within the contract. The Trust has three contracts which are classified as on-balance sheet Service Concession Arrangements.

- PFI contract with Derby Health Care PLC in relation to the Royal Derby Hospital building. The contract began in Sept 2003 and is set to run until September 2043.
- Managed Equipment Service contract with Althea UK and Ireland Limited (Althea) in relation to Medical Equipment. The contract began in April 2015 and is set to run until January 2025.
- Managed Equipment Service contract with D-Hive Limited. The contract began in April 2017 and includes equipment and Buildings contracted for a further 30 years.

The annual payments due to the service partner in respect of these contracts can be split in to three headings:

- Capital repayment. This is similar to the loan amount on a mortgage. This is held in the Statement of Financial Position and is referred to as the net liability.
- Finance costs. This is similar to the interest paid on a mortgage and is expensed each year in the Statement of Comprehensive Income. It forms part of the gross liability. University Hospitals of Derby and Burton NHS Foundation Trust.
- Service Charges are annual fees which relate to other costs such as repairs and maintenance. This is included within Operating Expenditure in the Statement of Comprehensive Income.

Note 52.1 On-SoFP PFI or Other Service Concession Arrangement Obligations

The following obligations in respect of the PFI or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Gross PFI or other service concession liabilities	**489,006**	**512,600**	**499,065**	**519,508**
of which liabilities are due				
- not later than one year;	24,690	24,050	25,450	25,236
years;	92,322	96,822	95,228	100,476
- later than five years.	371,994	391,728	378,387	393,796
Finance charges allocated to future periods	(206,433)	(221,958)	(209,715)	(224,005)
Net PFI or Other Service Concession Arrangement Obligation	**282,573**	**290,642**	**289,350**	**295,503**
- not later than one year;	9,521	8,452	9,988	9,052
years;	36,767	39,291	38,726	41,542
- later than five years.	236,285	242,899	240,639	244,909

Note 52.2 Total On-SoFP PFI and Other Service Concession Arrangement Commitments

Total future commitments under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Total future payments committed in respect of the PFI or other service concession arrangements	**1,990,015**	**1,974,815**	**2,029,492**	**1,931,738**
of which payments are due:				
- not later than one year;	72,362	72,887	74,903	71,336
years;	295,863	305,519	305,407	299,313
- later than five years.	1,621,790	1,596,409	1,649,182	1,561,089

Note 52.3 Analysis of Amounts Payable to Service Concession Operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	**70,294**	**66,547**	**73,248**	**68,976**
Consisting of:				
- Interest charge	15,612	15,849	15,916	16,136
- Repayment of balance sheet obligation	8,439	8,483	9,358	9,089
- Service element and other charges to operating expenditure	44,805	40,791	46,051	41,829
- Capital lifecycle maintenance	886	417	886	915
- Revenue lifecycle maintenance	552	538	1,037	538
- Contingent rent	-	-	-	-
- Addition to lifecycle prepayment	-	469	-	469
			-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-	-	-
Total Amount Paid to Service Concession Operator	**70,294**	**66,547**	**73,248**	**68,976**

Note 53 Off-SoFP PFI and Other Service Concession Arrangements

The Group has no Off-SoFP PFI and other service concession arrangements.

Note 54 Financial Instruments

Note 54.1 Financial Risk Management

Analysis of Risk

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

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

Currency Risk
University Hospitals of Derby and Burton NHS Foundation Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Liquidity Risk
University Hospitals of Derby and Burton NHS Foundation Trust's operating costs are incurred under contracts with primary care organisations, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 54.2 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 profit & loss	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	20,187	-	-	**20,187**
Other investments / financial assets	290	-	-	**290**
Cash and cash equivalents	70,932	-	-	**70,932**
Consolidated NHS Charitable fund financial assets	1,731	9,927	-	**11,658**
Total at 31 March 2021	**93,140**	**9,927**	-	**103,067**

Carrying Values of Financial Assets as at 31 March 2020	Held at amortised cost	Held at fair value through profit & loss	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	44,258	-	-	**44,258**
Cash and cash equivalents	42,414	-	-	**42,414**
Consolidated NHS Charitable fund financial assets	1,669	7,905	-	**9,574**
Total at 31 March 2020	**88,341**	**7,905**	-	**96,246**

Note 54.3 Carrying Values of Financial Assets (Trust)

Carrying Values of Financial Assets as at 31 March 2021	Held at amortised cost	Held at fair value through profit & loss	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	22,364	-	-	22,364
Other investments / financial assets	28,125	-	-	28,125
Cash and cash equivalents	67,944	-	-	67,944
Total at 31 March 2021	**118,433**	-	-	**118,433**

Carrying Values of Financial Assets as at 31 March 2020	Held at amortised cost	Held at fair value through profit & loss	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	45,499	-	-	45,499
Other investments / financial assets	28,125	-	-	28,125
Cash and cash equivalents	38,226	-	-	38,226
Total at 31 March 2020	**111,850**	-	-	**111,850**

Note 54.4 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 P&L	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	-
Obligations under finance leases	3,448	-	3,448
Obligations under PFI and other service concessions	282,573	-	282,573
Trade and other payables excluding non financial liabilities	81,832	-	81,832
Total at 31 March 2021	**367,853**	-	**367,853**

Carrying Values of Financial Liabilities as at 31 March 2020 Restated	Held at amortised cost Restated	Held at fair value through P&L	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	326,272	-	326,272
Obligations under finance leases	3,990	-	3,990
Obligations under PFI and other service concessions	290,642	-	290,642
Trade and other payables excluding non financial liabilities	98,668	-	98,668
Total at 31 March 2020	**719,572**	-	**719,572**

Note 54.5 Carrying Values of Financial Liabilities (Trust)

Carrying Values of Financial Liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through P&L	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	-
Obligations under finance leases	1,886	-	**1,886**
Obligations under PFI and other service concessions	289,348	-	**289,348**
Trade and other payables excluding non financial liabilities	80,900	-	**80,900**
Total at 31 March 2021	**372,134**	-	**372,134**

Carrying Values of Financial Liabilities as at 31 March 2020 Restated	Held at amortised cost Restated	Held at fair value through P&L	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	326,272	-	**326,272**
Obligations under finance leases	2,260	-	**2,260**
Obligations under PFI and other service concessions	296,755	-	**296,755**
Trade and other payables excluding non financial liabilities	94,948	-	**94,948**
Total at 31 March 2020	**720,235**	-	**720,235**

Note 54.6 Fair Values of Financial Assets and Liabilities

The Group holds its charity investment at fair value (see note 54.2).

Note 54.7 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		Trust	
	31 March 2021	31 March 2020 restated*	31 March 2021	31 March 2020 restated*
	£000	£000	£000	£000
In one year or less	107,209	449,778	106,795	450,260
In more than one year but not more than five years	94,498	99,032	96,177	100,164
In more than five years	372,997	393,254	378,927	395,943
Total	**574,704**	**942,064**	**581,899**	**946,367**

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

Note 55 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	17	5	5	17
Fruitless payments and constructive losses	1	891	-	-
Bad debts and claims abandoned	35	87	62	70
Stores losses and damage to property	3	253	16	196
Total losses	**56**	**1,236**	**83**	**283**
Special payments				
Ex-gratia payments	77	257	81	267
Total special payments	**77**	**257**	**81**	**267**
Total losses and special payments	**133**	**1,493**	**164**	**549**
Compensation payments received		-		-

For the Fruitless payment, £890,753.73 taken to audit committee in April 2021 for an abandoned capital project.

Note 56 Gifts

	2020/21		2019/20	
Group and Trust	Total number	Total value	Total number	Total value
	Number	£000	Number	£000
Gifts made	-	-	-	-

Note 57 Charitable Funds

The Derby and Burton Hospitals Charity has £11.6m in reserves this can be broken down as follows:

	31 March 2021	31 March 2020
	£000	£000
Unrestricted Funds	10,909	8,812
Restricted Funds	379	98
Endowment Funds	338	298
	11,626	**9,208**

The Charity was the recipient of the funds held by the Burton Hospitals Charitable Fund on 1 July 2018 following the merger of Derby Teaching Hospitals and Burton Hospitals.

The value transferred was £2.193m.

Note 58 Related Parties

The Trust is a body corporate established by order of the National Health Services Act 2006. During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions directly with the Trust.

One Director of the Board is a voluntary Trustee of St Giles Hospice. The Trust paid St Giles Hospice £4,195 in 2020/21 for services unrelated to the Director's position of Trustee.

During the year the Trust had a significant number of material transactions with the Department of Health and Social Care and with other entities for which the Department is regarded as the parent entity, including; Southern Derbyshire CCG, East Staffordshire CCG, NHS England, Health Education England and Other CCGs. In addition, the Trust has entered into transactions with other Government Departments and other Central and Local Government Bodies.

The list below details the entities with transactions over £1.1m between the Trust and these bodies and the amounts outstanding between the parties at year end.

	Income	Expenditure	Receivable	Payable
NHS Organisation	**£000**	**£000**	**£000**	**£000**
NHS Derby and Derbyshire CCG	499,835	-	122	-
NHS East Staffordshire CCG	89,232	-	-	-
Cannock Chase CCG	6,983	-	-	-
NHS England	194,809	89	941	71
Health Education England	26,769	-	-	-
NHS Chesterfield Royal Hospital NHS FT	10,868	5,531	411	715
NHS West Leicestershire CCG	30,127	-	168	-
Derbyshire Healthcare Foundation Trust	2,030	1,648	996	164
Derbyshire Community Health NHS Trust	3,032	3,114	355	836
NHS South East Staffs and Seisdon CCG	54,756	-	22	-
University Hospitals of Leicester NHS Trust	5,689	175	1,551	107
NHS Nottingham & Notts CCG	6,725	-	2	-
Nottingham University Hospitals NHS Trust	4,030	2,170	780	309
North Staffordshire CCG	1,849	-	-	-
NHS Warwickshire North CCG	1,372	-	-	-
UH Coventry and Warwickshire NHS Trust	57	5,771	31	92
University Hospitals Birmingham NHS FT	27	1,301	20	151
NHS Resolution	-	24,036	-	-
Total	**938,190**	**43,835**	**5,399**	**2,445**

Note 59 Transfers by Absorption

£200k of medical equipment assets was transferred from Derbyshire Community Health Services NHS Foundation Trust on 1 April 2020. This was part of a realignment of colposcopy services within the Derbyshire Integrated Care System.

Note 60 Prior Period Adjustments

The Group and Trust accounts have been restated for the PFI liability after a full review of the Trust's PFI working model. Following a comprehensive review of the operator model this has indicated that the liability was under-stated in previous financial years. Prior year comparative numbers have been restated.

Consolidated Statement of Comprehensive Income - Prior Period Adjustment (PPA)

		Group				
			Restated	Original		
		2020/21	2019/20	Reported	PPA	Restated
	Note	£000	£000	£000	£000	£000
Operating income from patient care activities	3	858,996	761,555	761,555	-	761,555
Other operating income	4	153,152	98,960	98,960	-	98,960
Operating expenses	6, 8	(991,775)	(892,987)	(895,425)	2,438	(892,987)
Operating surplus/(deficit) from continuing operations		**20,373**	**(32,472)**	**(34,910)**	**2,438**	**(32,472)**
Finance income	11	330	564	564	-	564
Finance expenses	12	(16,104)	(21,614)	(18,555)	(3,059)	(21,614)
PDC dividends payable		(7,006)	-	-	-	-
Net finance costs		**(22,780)**	**(21,050)**	**(17,991)**	**(3,059)**	**(21,050)**
Other gains / (losses)	13	1,124	(1,103)	(1,103)	-	(1,103)
Gains / (losses) arising from transfers by absorption	59	200	-	-	-	-
Corporation tax expense		(315)	(158)	(158)	-	(158)
Surplus / (deficit) for the year from continuing operations		**(1,398)**	**(54,783)**	**(54,162)**	**(621)**	**(54,783)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	-	-	-	-	-
Surplus / (deficit) for the year		**(1,398)**	**(54,783)**	**(54,162)**	**(621)**	**(54,783)**
Other comprehensive income						
Will not be reclassified to income and expenditure:						
Impairments	7	(15,700)	(689)	(223)	-	(223)
Revaluations	28	48,717	0	(466)	-	(466)
Other reserve movements		703	(289)	(289)	-	(289)
Total comprehensive income / (expense) for the period		**32,322**	**(55,760)**	**(55,139)**	**(621)**	**(55,760)**

Group Statement of Financial Position - Prior Period Adjustment (PPA)

		Group			Closing Prior Year			Opening Prior Year		
			Restated	Restated	Reported	PPA	Restated	Reported	PPA	Restated
		31 March 2021	31 March 2020	1 April 2019	31 March 2020			1 April 2019		
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-current assets										
Intangible assets	16-19	5,029	6,087	7,584	6,087	-	6,087	7,584	-	7,584
Property, plant and equipment	20-27	605,927	569,895	539,394	569,895	-	569,895	539,394	-	539,394
Other investments / financial assets	31	10,217	7,905	8,962	7,905	-	7,905	8,962	-	8,962
Receivables	36	8,766	7,642	5,883	7,642	-	7,642	5,883	-	5,883
Total non-current assets		**629,939**	**591,530**	**561,823**	**591,530**	-	**591,530**	**561,823**	-	**561,823**
Current assets										
Inventories	35	15,843	14,844	12,102	14,844	-	14,844	12,102	-	12,102
Receivables	36	30,066	52,410	50,837	52,410	-	52,410	50,837	-	50,837
Non-current assets held for sale	38.1	5	-	-	-	-	-	-	-	-
Cash and cash equivalents	39	72,663	44,083	9,003	44,083	-	44,083	9,003	-	9,003
Total current assets		**118,577**	**111,337**	**71,942**	**111,337**	-	**111,337**	**71,942**	-	**71,942**
Current liabilities										
Trade and other payables	40	(99,986)	(115,726)	(99,934)	(115,726)	-	(115,726)	(99,934)	-	(99,934)
Borrowings	42	(10,106)	(335,396)	(84,315)	(335,989)	593	(335,396)	(84,936)	621	(84,315)
Provisions	45-46	(14,409)	(6,587)	(1,944)	(6,587)	-	(6,587)	(1,944)	-	(1,944)
Other liabilities	41	(9,028)	(9,383)	(9,715)	(9,383)	-	(9,383)	(9,715)	-	(9,715)
Total current liabilities		**(133,529)**	**(467,092)**	**(195,908)**	**(467,685)**	**593**	**(467,092)**	**(196,529)**	**621**	**(195,908)**
Total assets less current liabilities		**614,987**	**235,775**	**437,857**	**235,182**	**593**	**235,775**	**437,236**	**621**	**437,857**
Non-current liabilities										
Borrowings	42	(275,915)	(285,508)	(441,989)	(271,650)	(13,858)	(285,508)	(428,724)	(13,265)	(441,989)
Provisions	45-46	(6,979)	(6,658)	(4,112)	(6,658)	-	(6,658)	(4,112)	-	(4,112)
Total non-current liabilities		**(282,894)**	**(292,166)**	**(446,101)**	**(278,308)**	**(13,858)**	**(292,166)**	**(432,836)**	**(13,265)**	**(446,101)**
Total assets employed		**332,094**	**(56,391)**	**(8,244)**	**(43,126)**	**(13,265)**	**(56,391)**	**4,400**	**(12,644)**	**(8,244)**
Financed by										
Public dividend capital		598,996	242,833	235,220	242,833	-	242,833	235,220	-	235,220
Revaluation reserve		126,493	93,135	96,247	93,135	-	93,135	96,247	-	96,247
Other reserves		134	(156)	(156)	(156)	-	(156)	(156)	-	(156)
Income and expenditure reserve		(405,155)	(401,411)	(349,101)	(388,147)	(13,264)	(401,411)	(336,457)	(12,644)	(349,101)
Charitable fund reserves	57	11,626	9,208	9,546	9,208	-	9,208	9,546	-	9,546
Total taxpayers' equity		**332,094**	**(56,391)**	**(8,244)**	**(43,127)**	**(13,264)**	**(56,391)**	**4,400**	**(12,644)**	**(8,244)**

Trust Statement of Financial Position - Prior Period Adjustment (PPA)

		Trust			Closing Prior Year			Opening Prior Year		
			Restated	Restated	Reported	PPA	Restated	Reported	PPA	Restated
		31 March 2021	31 March 2020	1 April 2019	31 March 2020	31 March 2020	31 March 2020	1 April 2019	1 April 2019	1 April 2019
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-current assets										
Intangible assets	18-19	5,010	6,091	7,588	6,091	-	6,091	7,588	-	7,588
Property, plant and equipment	22-23	582,985	546,396	529,420	546,396	-	546,396	529,420	-	529,420
Other investments / financial assets	32	28,125	28,125	15,625	28,125	-	28,125	15,625	-	15,625
Receivables	36	8,766	7,642	5,883	7,642	-	7,642	5,883	-	5,883
Total non-current assets		**624,886**	**588,255**	**558,516**	**588,254**	-	**588,254**	**558,516**	-	**558,516**
Current assets										
Inventories	35	14,876	13,499	12,102	13,499	-	13,499	12,102	-	12,102
Receivables	36	32,918	52,797	50,771	52,797	-	52,797	50,771	-	50,771
Cash and cash equivalents	39	67,944	38,226	4,273	38,226	-	38,226	4,273	-	4,273
Total current assets		**115,738**	**104,522**	**67,146**	**104,522**	-	**104,522**	**67,146**	-	**67,146**
Current liabilities										
Trade and other payables	40	(97,800)	(109,909)	(96,008)	(109,909)	-	(109,909)	(96,008)	-	(96,008)
Borrowings	42	(10,383)	(335,611)	(84,246)	(336,204)	593	(335,611)	(84,867)	621	(84,246)
Provisions	45-46	(14,409)	(6,587)	(3,372)	(6,587)	-	(6,587)	(3,372)	-	(3,372)
Other liabilities	41	(9,028)	(9,382)	(9,664)	(9,381)	-	(9,381)	(9,664)	-	(9,664)
Total current liabilities		**(131,620)**	**(461,489)**	**(193,290)**	**(462,081)**	**593**	**(461,488)**	**(193,911)**	**621**	**(193,290)**
Total assets less current liabilities		**609,004**	**231,288**	**432,372**	**230,695**	**593**	**231,288**	**431,751**	**621**	**432,372**
Non-current liabilities										
Borrowings	42	(280,853)	(289,675)	(447,381)	(275,817)	(13,858)	(289,675)	(434,116)	(13,265)	(447,381)
Provisions	45-46	(6,979)	(6,658)	(4,112)	(6,658)	-	(6,658)	(4,112)	-	(4,112)
Total non-current liabilities		**(287,832)**	**(296,333)**	**(451,493)**	**(282,475)**	**(13,858)**	**(296,333)**	**(438,228)**	**(13,265)**	**(451,493)**
Total assets employed		**321,173**	**(65,045)**	**(19,121)**	**(51,780)**	**(13,265)**	**(65,045)**	**(6,477)**	**(12,644)**	**(19,121)**
Financed by										
Public dividend capital		598,996	242,833	235,220	242,833	-	242,833	235,220	-	235,220
Revaluation reserve		126,493	93,135	96,247	93,135	-	93,135	96,247	-	96,247
Income and expenditure reserve		(404,316)	(401,013)	(350,588)	(387,748)	(13,265)	(401,013)	(337,944)	(12,644)	(350,588)
Total taxpayers' equity		**321,173**	**(65,045)**	**(19,121)**	**(51,780)**	**(13,265)**	**(65,045)**	**(6,477)**	**(12,644)**	**(19,121)**

Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2020 - Prior Period Adjustment (PPA)

As Originally Reported Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020.

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(156)**	**(336,458)**	**9,546**	**4,400**
Prior period adjustment	-	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(156)**	**(336,458)**	**9,546**	**4,400**
At start of period for new FTs	-	-	-	-	-	-
Surplus/(deficit) for the year	-	-	-	(52,824)	(1,338)	**(54,162)**
Other transfers between reserves	-	(2,424)	-	2,424	-	-
Impairments	-	(689)	-	-	-	**(689)**
Revaluations	-	0	-	-	-	**0**
Public dividend capital received	7,613	-	-	-	-	**7,613**
Other reserve movements	-	-	-	(1,289)	1,000	**(289)**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(156)**	**(388,146)**	**9,208**	**(43,126)**

PPA Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020.

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward						-
Prior period adjustment				(12,644)		**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	-	-	-	**(12,644)**	-	**(12,644)**
Surplus/(deficit) for the year				(621)		**(621)**
Taxpayers' and others' equity at 31 March 2020	-	-	-	**(13,265)**	-	**(13,265)**

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020 Restated.

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(156)**	**(336,458)**	**9,546**	**4,400**
Prior period adjustment	-	-	-	(12,644)	-	**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(156)**	**(349,102)**	**9,546**	**(8,244)**
Surplus/(deficit) for the year	-	-	-	(53,445)	(1,338)	**(54,783)**
Other transfers between reserves	-	(2,424)	-	2,424	-	-
Impairments	-	(689)	-	-	-	**(689)**
Revaluations	-	0	-	-	-	**0**
Public dividend capital received	7,613	-	-	-	-	**7,613**
Other reserve movements	-	-	-	(1,289)	1,000	**(289)**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(156)**	**(401,411)**	**9,208**	**(56,391)**

Trust Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020 - Prior Period Adjustment (PPA)

As Originally Reported Trust Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(337,944)**	**(6,476)**
Prior period adjustment	-	-	-	-
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(337,944)**	**(6,476)**
Surplus/(deficit) for the year	-	-	(52,229)	**(52,229)**
Other transfers between reserves	-	(2,424)	2,424	-
Impairments	-	(689)	-	**(689)**
Revaluations	-	0	-	**0**
Public dividend capital received	7,613	-	-	**7,613**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(387,749)**	**(51,781)**

PPA Trust Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward				-
Prior period adjustment			(12,644)	**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	-	-	**(12,644)**	**(12,644)**
Surplus/(deficit) for the year			(621)	**(621)**
Taxpayers' and others' equity at 31 March 2020	-	-	**(13,265)**	**(13,265)**

Trust Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020 Restated

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**235,220**	**96,248**	**(337,944)**	**(6,476)**
Prior period adjustment	-	-	(12,644)	**(12,644)**
Taxpayers' and others' equity at 1 April 2019 - restated	**235,220**	**96,248**	**(350,588)**	**(19,120)**
Surplus/(deficit) for the year	-	-	(52,850)	**(52,850)**
Other transfers between reserves	-	(2,424)	2,424	-
Impairments	-	(689)	-	**(689)**
Revaluations	-	0	-	**0**
Public dividend capital received	7,613	-	-	**7,613**
Taxpayers' and others' equity at 31 March 2020	**242,833**	**93,135**	**(401,014)**	**(65,046)**

Statements of Cash Flows - Prior Period Adjustment (PPA)

		Group		Trust		Group	Group	Group	Trust	Trust	Trust
			Restated		Restated	Reported	PPA	Restated	Reported	PPA	Restated
		2020/21	2019/20	2020/21	2019/20	2019/20			2019/20		
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash flows from operating activities											
Operating surplus / (deficit)		20,373	(32,472)	20,697	(31,211)	(34,910)	2,438	(32,472)	(33,649)	2,438	(31,211)
Non-cash income and expense:									-		
Depreciation and amortisation	6.1	25,770	18,604	25,575	18,590	18,604		18,604	18,590		18,590
Net impairments	7	19,712	709	17,345	384	709		709	384		384
Income recognised in respect of capital donations	4	(1,711)	(746)	(1,792)	(746)	(746)		(746)	(746)		(746)
(Increase) / decrease in receivables and other assets		24,384	(5,902)	21,816	(6,674)	(5,902)		(5,902)	(6,674)		(6,674)
(Increase) / decrease in inventories		(1,003)	(2,733)	(1,377)	(1,397)	(2,733)		(2,733)	(1,397)		(1,397)
Increase / (decrease) in payables and other liabilities		(14,123)	7,326	(10,697)	5,434	7,326		7,326	5,434		5,434
Increase / (decrease) in provisions		8,028	7,037	8,028	5,761	7,037		7,037	5,761		5,761
Movements in charitable fund working capital		(130)	(31)	-	-	(31)		(31)	-		-
Tax (paid) / received		(120)	-	-	-	-		-	-		-
Other movements in operating cash flows		1,196	(12)	(20)	29	(12)		(12)	29		29
Net cash flows from / (used in) operating activities		**82,376**	**(8,219)**	**79,575**	**(9,829)**	**(10,657)**	**2,438**	**(8,219)**	**(12,267)**	**2,438**	**(9,829)**
Cash flows from investing activities											
Interest received		54	200	52	190	200		200	190		190
Purchase of intangible assets		(966)	(713)	(931)	(713)	(713)		(713)	(713)		(713)
Purchase of PPE and investment property		(48,501)	(35,916)	(43,723)	(21,757)	(35,916)		(35,916)	(21,757)		(21,757)
Sales of PPE and investment property		20	13	20	13	13		13	13		13
Prepayment of PFI capital contributions		(886)	(886)	(886)	(886)	(886)		(886)	(886)		(886)
Proceeds/(Purchase) of/from investing activities		276	490	-	(12,500)	490		490	(12,500)		(12,500)
Net cash flows from / (used in) investing activities		**(50,003)**	**(36,812)**	**(45,468)**	**(35,653)**	**(36,812)**	**-**	**(36,812)**	**(35,653)**	**-**	**(35,653)**
Cash flows from financing activities											
Public dividend capital received		356,163	7,613	356,163	7,613	7,613		7,613	7,613		7,613
Movement on loans from DHSC		(325,160)	104,319	(325,160)	104,319	104,319		104,319	104,319		104,319
Capital element of finance lease rental payments		(788)	(1,291)	(547)	(1,163)	(1,291)		(1,291)	(1,163)		(1,163)
Capital element of PFI and other service concession payments		(8,439)	(9,752)	(9,358)	(10,358)	(9,752)	621	(9,131)	(10,979)	621	(10,358)
DHSC Interest on loans		(1,113)	(5,042)	(1,113)	(5,042)	(5,042)		(5,042)	(5,042)		(5,042)
Interest paid on finance lease liabilities		(68)	(95)	(25)	(95)	(95)		(95)	(95)		(95)
Interest paid on PFI and other service concession obligations		(15,612)	(15,431)	(15,916)	(15,629)	(12,993)	(3,059)	(16,052)	(12,570)	(3,059)	(15,629)
PDC dividend (paid) / refunded		(8,614)	(210)	(8,614)	(210)	(210)		(210)	(210)		(210)
Net cash flows from charitable fund financing activities		(236)	-	-	-	-		-	-		-
Cash flows from (used in) other financing activities		75	-	182	-	-		-	-		-
Net cash flows from / (used in) financing activities		**(3,792)**	**80,111**	**(4,388)**	**79,435**	**82,549**	**(2,438)**	**80,111**	**81,873**	**(2,438)**	**79,435**
Increase / (decrease) in cash and cash equivalents		**28,581**	**35,080**	**29,719**	**33,953**	**35,080**		**35,080**	**33,953**		**33,953**
Cash and cash equivalents at 1 April - brought forward		**44,083**	**9,003**	**38,226**	**4,273**	**9,003**		**9,003**	**4,273**		**4,273**
Cash and cash equivalents at 31 March	39	**72,663**	**44,083**	**67,944**	**38,226**	**44,083**	**-**	**44,083**	**38,226**	**-**	**38,226**

Note 2 Operating Segments - Prior Period Adjustment (PPA)

	£000	£000	£000	£000	£000	£000	£000	£000
2019/20 As Originally Reported	**Cancer, Diagnostic & Clinical Support**	**Medicine**	**Surgery**	**Women & Children's**	**Trust Wide Services**	**Trust Total**	**Sub-Co's & Charity**	**Group Total**
Income From Activities	96,083	266,335	211,939	105,440	81,758	761,555	-	761,555
Other Operating Income	12,193	4,394	3,244	4,691	71,055	95,577	3,383	98,960
Total Income	**108,276**	**270,729**	**215,183**	**110,131**	**152,813**	**857,132**	**3,383**	**860,515**
Employee Costs	(107,095)	(163,889)	(144,164)	(64,407)	(101,387)	(580,942)	(1,701)	(582,643)
Drugs (including Gases)	(9,185)	(10,269)	(7,799)	(2,269)	(57,127)	(86,649)	-	(86,649)
Other Supplies and Services	(38,573)	(16,473)	(35,723)	(4,322)	(128,099)	(223,190)	(2,943)	(226,133)
Total Expenditure	**(154,853)**	**(190,631)**	**(187,686)**	**(70,998)**	**(286,613)**	**(890,781)**	**(4,644)**	**(895,425)**
Operating Surplus/ (Deficit)	**(46,577)**	**80,098**	**27,497**	**39,133**	**(133,800)**	**(33,649)**	**(1,261)**	**(34,910)**
Prior Period Adjustment	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Other Supplies and Services					2,438	2,438	-	2,438
Total PPA	-	-	-	-	**2,438**	**2,438**	-	**2,438**
2019/20 Restated	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
	Cancer, Diagnostic and Clinical Support	**Medicine**	**Surgery**	**Women & Children's**	**Trust Wide Services**	**Trust Total**	**Sub-Co's & Charity**	**Group Total**
Income From Activities	96,083	266,335	211,939	105,440	81,758	761,555	-	761,555
Other Operating Income	12,193	4,394	3,244	4,691	71,055	95,577	3,383	98,960
Total Income	**108,276**	**270,729**	**215,183**	**110,131**	**152,813**	**857,132**	**3,383**	**860,515**
Employee Costs	(107,095)	(163,889)	(144,164)	(64,407)	(101,387)	(580,942)	(1,701)	(582,643)
Drugs (including Gases)	(9,185)	(10,269)	(7,799)	(2,269)	(57,127)	(86,649)	-	(86,649)
Other Supplies and Services	(38,573)	(16,473)	(35,723)	(4,322)	(125,661)	(220,752)	(2,943)	(223,695)
Total Expenditure	**(154,853)**	**(190,631)**	**(187,686)**	**(70,998)**	**(284,175)**	**(888,343)**	**(4,644)**	**(892,987)**
Operating Surplus/ (Deficit)	**(46,577)**	**80,098**	**27,497**	**39,133**	**(131,362)**	**(31,211)**	**(1,261)**	**(32,472)**

Note 6.1 Operating Expenses (Group) - Prior Period Adjustment (PPA)

		Original	PPA	Restated
	2020/21	2019/20	2019/20	2019/20
	£000	£000	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	-	37		37
Staff and executive directors costs	620,266	580,059		580,059
Remuneration of non-executive directors	192	186		186
Supplies and services - clinical (excluding drugs costs)	62,432	67,530		67,530
Supplies and services - general	49,046	32,914		32,914
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	85,952	86,459		86,459
Inventories written down	1,530	190		190
Consultancy costs	1,462	1,811		1,811
Establishment	3,661	4,443		4,443
Premises	33,816	23,623		23,623
Transport (including patient travel)	1,237	2,368		2,368
Depreciation on property, plant and equipment (note 20 CY, note 21 PY)	23,135	16,382		16,382
Amortisation on intangible assets (note 16 CY, note 17 PY)	2,634	2,222		2,222
Net impairments (note 7)	19,712	709		709
Movement in credit loss allowance: all other receivables and investments	999	(9,280)		(9,280)
Increase/(decrease) in other provisions	-	4,857		4,857
Change in provisions discount rate(s)	167	490		490
Audit fees payable to the external auditor				
audit services- statutory audit	132	91		91
other auditor remuneration (external auditor only)	-	-		-
Internal audit costs	173	140		140
Clinical negligence	24,029	21,221		21,221
Legal fees	355	1,369		1,369
Insurance	221	163		163
Research and development	2,969	301		301
Education and training	5,026	6,637		6,637
Rentals under operating leases	1,585	2,129		2,129
Redundancy	-	206		206
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI)	45,357	43,767	(2,438)	41,329
Car parking & security	196	489		489
Hospitality	28	123		123
Losses, ex gratia & special payments	307	280		280
Other services, eg external payroll	3,450	1,321		1,321
Other NHS charitable fund resources expended	1,447	2,187		2,187
Other	258	-		-
Total	**991,775**	**895,425**	**(2,438)**	**892,987**
of which:				
Related to continuing operations	991,775	895,425	895,425	895,425
Related to discontinued operations	-	-	-	-

Note 12.1 Finance Expenditure (Group) - Prior Period Adjustment (PPA)

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

	2020/21	2019/20	2019/20	2019/20
	£000	£000	£000	£000
Interest expense:		Original	PPA	Restated
Loans from the Department of Health and Social Care	-	5,413	-	5,413
Finance leases	68	5	-	5
Main finance costs on PFI schemes obligations	15,612	12,790	3,059	15,849
Total interest expense	**15,680**	**18,208**	**3,059**	**21,267**
Unwinding of discount on provisions	115	152	-	152
Other finance costs	309	195	-	195
Total Finance Costs	**16,104**	**18,555**	**3,059**	**21,614**

Note 42 Borrowings - Prior Period Adjustment (PPA)

Prior Period Adjustment (PPA)	Group		Trust		Group			Trust		
					Original	PPA	Restated	Original	PPA	Restated
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Loans from DHSC	-	326,272	-	326,272	326,272	-	326,272	326,272	-	326,272
Obligations under finance leases	585	672	395	887	672	-	672	887	-	887
Obligations under PFI or other service concession contracts (excl. lifecycle)	9,521	8,452	9,988	8,452	9,045	(593)	8,452	9,045	(593)	8,452
Total Current Borrowings	**10,106**	**335,396**	**10,383**	**335,611**	**335,989**	**(593)**	**335,396**	**336,204**	**(593)**	**335,611**
Non-current										
Obligations under finance leases	2,863	3,318	1,491	7,505	3,318	-	3,318	7,505	-	7,505
Obligations under PFI or other service concession contracts	273,052	282,190	279,362	282,170	268,332	13,858	282,190	268,312	13,858	282,170
Total Non-Current Borrowings	**275,915**	**285,508**	**280,853**	**289,675**	**271,650**	**13,858**	**285,508**	**275,817**	**13,858**	**289,675**

Note 52.1 On-SoFP PFI or Other Service Concession Arrangement Obligations - Prior Period Adjustment (PPA)

	GROUP			TRUST		
	Originally Reported	PPA	Restated	Originally Reported	PPA	Restated
Gross PFI or other service concession liabilities	**447,832**	**64,768**	**512,600**	**454,740**	**64,768**	**519,508**
of which liabilities are due						
- not later than one year;	21,613	2,437	24,050	22,799	2,437	25,236
years;	87,073	9,749	96,822	90,727	9,749	100,476
- later than five years.	339,146	52,582	391,728	341,214	52,582	393,796
Finance charges allocated to future periods	(170,455)	(51,503)	(221,958)	(172,502)	(51,503)	(224,005)
Net PFI or Other Service Concession Arrangement Obligation	**277,377**	**13,265**	**290,642**	**282,238**	**13,265**	**295,503**
- not later than one year;	9,045	(593)	8,452	9,645	(593)	9,052
years;	41,282	(1,991)	39,291	43,533	(1,991)	41,542
- later than five years.	227,050	15,849	242,899	229,060	15,849	244,909

Note 52.3 Analysis of Amounts Payable to Service Concession Operator - Prior Period Adjustment (PPA)

	GROUP			TRUST		
	Originally Reported	PPA	Restated	Originally Reported	PPA	Restated
Unitary payment payable to service concession operator	**66,547**	-	**66,547**	**68,976**		**68,976**
Consisting of:						
- Interest charge	12,790	3,059	15,849	13,077	3,059	16,136
- Repayment of balance sheet obligation	9,104	(621)	8,483	9,710	(621)	9,089
- Service element and other charges to operating expenditure	43,229	(2,438)	40,791	44,267	(2,438)	41,829
- Capital lifecycle maintenance	417		417	915		915
- Revenue lifecycle maintenance	538		538	538		538
- Contingent rent			-			-
- Addition to lifecycle prepayment	469		469	469		469
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment			-			-
Total Amount Paid to Service Concession Operator	**66,547**	-	**66,547**	**68,976**	-	**68,976**

Note 54.4 Group Carrying Values of Financial Liabilities (Group) - Prior Period Adjustment (PPA)

				Group		
Carrying Values of Financial Liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through P&L	Total book value	Original	PPA	Restated
	£000	£000	£000	£000	£000	£000
Loans from the Department of Health and Social Care	326,272	-	**326,272**	326,272	-	**326,272**
Obligations under finance leases	3,990	-	**3,990**	3,990	-	**3,990**
Obligations under PFI and other service concessions	290,642	-	**290,642**	277,377	13,265	**290,642**
Trade and other payables excluding non financial liabilities	98,668	-	**98,668**	98,668	-	**98,668**
Total at 31 March 2020	**719,572**	-	**719,572**	**706,307**	**13,265**	**719,572**

Note 54.5 Trust Carrying Values of Financial Liabilities (Trust) - Prior Period Adjustment (PPA)

Carrying Values of Financial Liabilities as at 31 March 2020 Restated	Held at amortised cost	Held at fair value through P&L	Total book value	Original	PPA	Restated
	£000	£000	£000	£000	£000	£000
Loans from the Department of Health and Social Care	326,272	-	**326,272**	326,272		**326,272**
Obligations under finance leases	2,260	-	**2,260**	2,260		**2,260**
Obligations under PFI and other service concessions	296,755	-	**296,755**	283,490	13,265	**296,755**
Trade and other payables excluding non financial liabilities	94,948	-	**94,948**	94,948		**94,948**
Total at 31 March 2020	**720,235**	-	**720,235**	**706,970**	**13,265**	**720,235**

Note 61 Events after the Reporting Date

There are no significant events after the reporting period.

Glossary

A&E	Accident & Emergency
ACAS	Advisory, Conciliation and Arbitration Service
ACMA	Associate of the Chartered Institute of Management Accountants
AHP	Allied Health Professionals
AKI	Acute Kidney Injury
BAF	Board Assurance Framework
BAME	Black, Asian Minority Ethic
BBC	British Broadcasting Corporation
BHFT	Burton Hospitals NHS Foundation Trust
BME	Black Minority Ethic
BPPC	Better Payment Practice Code
BSc	Bachelors of Science (a type of degree qualification)
C.diff	Clostridium difficile Infections
CCG	Clinical Commissioning Group
CEO	Chief Executive Officer
CEV	Clinically Extremely Vulnerable
COO	Chief Operating Officer
CPAP	Continuous Positive Airway Pressure
CPP	Collaborative Procurement Partnership
CQC	Care Quality Commission
CRU	Compensation Recovery Unit
CY	Current Year
DAS	Digital Apprenticeship Service
DCHS	Derbyshire Community Health Services Foundation Trust
DHCT	Derbyshire Healthcare Foundation Trust
DHSC	Department of Health and Social Care
DSPT	Data Security and Protection Toolkit
DRC	Depreciated Replacement Cost
DRI	Derbyshire Royal Infirmary
EAP	Employee Assistance Programme
EC	Electronically Commutated
EDI	Equality, Diversity and Inclusion
EDS2	Equality Delivery System 2
ER	Employee Relations
FFT	Friends and Family Test
FIFO	First In, First Out
FReM	Financial Reporting Manual
FRS	Financial Reporting Standard
FTSU	Freedom to Speak Up
GAD	Government Actuaries Department
GAM	Group Accounting Manual
GIFT	Getting It Right First Time
GP	General Practitioner
GPG	Gender Pay Gap
HCSW	Healthcare Support Workers
HEE	Health Education England
HM	Her Majesty

HMT	Her Majesty's Treasury
HR	Human Resources
HSJ	Health Service Journal
HTE	Health Trust Europe
IAS	International Accounting Standard
ICO	Information Commissioner's Office
ICR	Injury Costs Recovery
ICS	Integrated Care System
ICU	Intensive Care Unit
IFRIC	International Financial Reporting Interpretations. IFRIC refers its interpretations to the IASB for discussion and approval, and once they are approved by the IASB, the IFRIC interpretations (IFRICs) become part of IFRS.
IFRS	International Financial Reporting Standards. International Financial Reporting Standards (IFRS) are a set of accounting rules for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world.
ImpACT+	Improving Adult Respiratory Care Together
IM&T	Information Management and Technology
IPC	Infection, Prevention and Control
IT	Information Technology
JUCD	Joined Up Care Derbyshire
KPI	Key Performance Indicators
LCFS	Local Counter Fraud Specialist
LE&RN	Lymphatic Education and Research Network
LED	Light-emitting Diode
LIFT	Local Improvement Finance Trust
LGBTQ	Lesbian, Gay, Bisexual, Transgender and Queer or Questioning
LRCH	London Road Community Hospital
LTC	Long Term Condition
Ltd	Limited
MARS	Mutually agreed resignations
MBE	Member of the Order of the British Empire
MEA	Modern Equivalent Asset
MEAV	Modern Equivalent Basis
MRC	Medical Research Council
MS	Microsoft
MSc	Masters qualification
NCORE	National Centre of Rehabilitation Education
NED	Non-Executive Director
NEST	National Employment Savings Trust
NHS	National Health Service
NHSCFA	NHS Counter Fraud Authority
NHSE	NHS England
NHSE/I	NHS England and NHS Improvement
NHSFT	NHS Foundation Trust
NHSI	NHS Improvement
NMC	Nursing and Midwifery Council

NOK	Next of Kin
OBE	Order of the British Empire
OCI	Other Comprehensive Income
OD	Organisational Development
OH	Occupational Health
ONS	Office of National Statistics
OSCE	Objective structured clinical examination
PC	Personal Computer
PCT	Primary Care Trust
PDC	Public Dividend Capital
PFI	Private Finance Initiative
PhD	Doctor of Philosophy (an academic or professional degree)
PHE	Public Health England
P&L	Profit and Loss
PLC	Public Limited Company
PPE	Personal Protective Equipment
PSED	Public Sector Equality Duty
PSIRF	Patient Safety Incident Response Framework
PY	Prior Year
QHB	Queen's Hospital Burton
RCN	Royal College of Nursing
RDH	Royal Derby Hospital
RoE	Retention of Employment
RPI	Retail Price Index
RICS	Royal Institute of Chartered Surveyors
RTT	Referral to Treatment
SARs	Subject Access Requests
SIREN	ARS-COV2 immunity and reinfection evaluation (NHS National Study)
SJCH	Samuel Johnson Community Hospital
SoCI	Statement of Comprehensive Income
SoFP	Statement of Financial Position
SRP	Sir Robert Peel Community Hospital
STP	Sustainability and Transformation Partnership
SWAN	Scientific Women's Academic Network
TC	Treatment Centre (located at the Queen's Hospital Burton)
UHDB	University Hospitals of Derby and Burton
UHNM	University Hospitals of North Midlands
UK	United Kingdom
USA	United States of America
VAT	Value Added Tax
WDES	Workforce Disability Equality Standard

If you would like any part of this document translated into your own language, or require a version in large print, please contact us on

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