NHS
Poole Hospital
NHS Foundation Trust




Final Annual Report and Accounts 2020/21 for period 1 April 2020 to 30 September 2020.

Now merged with The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust from 1 October 2020 to form University Hospitals Dorset NHS Foundation Trust.






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CONTENTS		Page No.
SECTION A: PERFORMANCE REPORT		
1.	**Overview**	**7**
1.1	Foreword	**7**
1.2	About our Trust	**10**
2.	**Operational Performance**	**11**
2.1	Overview: How the Trust measures performance	**11**
2.2	How we have performed during the first half of 2020/21	**12**
2.3	Clinical performance	**12**
2.4	Financial performance	**13**
2.5	Environmental matters	**13**
2.6	Social, community and human rights	**14**
2.7	Overseas operations	**14**
2.8	Protecting patients' information	**15**
SECTION B: ACCOUNTABILITY REPORT		
3	**Director's Report**	**16**
3.1	Governance and Membership	**16**
3.2	Key Activities of the Board	**16**
3.3	Working with Governors	**17**
3.4	Members of the Board and attendance at Board meetings	**17**
3.5	Audit and Governance Committee	**24**
3.6	Finance and Investment Committee	**25**
3.7	Quality, Safety and Performance Committee	**26**
3.8	Workforce and Organisational Development Committee	**27**
3.9	Appointments Committee	**28**
3.10	Council of Governors	**28**
3.11	Nominations, Remuneration and Evaluation Committee	**32**
3.12	Membership	**33**
3.13	Code of Governance Compliance Statement	**34**
3.14	Going Concern	**34**
4	**Remuneration Report**	**35**
4.1	Annual Statement of Remuneration	**35**
4.2	Senior manager's remuneration policy	**35**
4.3	Remuneration committee	**36**
4.4	Fair Pay Multiples	**36**
5	**Staff Report**	**40**
5.1	National NHS Staff Survey 2019/2020 Findings	**40**

5.2	NHS Staff Friends and Family Test 2019/20	**41**
5.3	Equality, Diversity and Inclusion	**42**
5.4	Occupational Health and Employee Assistance	**42**
5.5	Breakdown of Staff and Directors by Gender	**44**
5.6	Staff Sickness	**44**
5.7	Analysis of staff costs and average staff numbers	**44**
5.8	Exit packages	**45**
5.9	Staff policies and actions applied	**46**
5.10	Expenditure on consultancy	**47**
5.11	Off payroll adjustments	**47**
6	**The disclosures set out in the NHS Foundation Trust Code of Governance**	**48**
7	**Statement of accounting officer's responsibilities**	**49**
8	**Annual governance statement**	**50**
SECTION C: ANNUAL ACCOUNTS		**56**

SECTION A: PERFORMANCE REPORT

1.1 Foreword

Welcome to the final annual report for Poole Hospital NHS Foundation Trust (PHT). This report covers the last six months of our Trust from 1 April 2020 leading up to our merger with The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (RBCH) on 1 October 2020 to form University Hospitals Dorset NHS Foundation Trust (UHD). We shall be publishing our future annual reports as UHD, with the first one covering the six months from 1 October 2020 to 31 March 2021.

The first six months of 2020/21 were of course hugely overshadowed by the global Covid-19 pandemic, as has been the remainder of the year. Fortunately, our two trusts were already working together very closely, and this helped us enormously as we faced up to the Covid-19 challenge. We always knew that we would be stronger working together, and this has certainly been proved throughout the pandemic. Our Shadow Interim Board, approved back in December 2019, maintained an oversight of our combined response, making sure that all teams and all three sites worked effectively together (and with partners) to maintain essential services for the local population.

We would like to take this opportunity to thank all staff across both Trusts for their hard work and commitment during these unprecedented times. Staff were working under very difficult circumstances, yet each day, we saw incredible examples of courage, dedication and compassion, as teams worked together to ensure that the needs of their patients are met. It was a privilege to be leading two such impressive organisations, working with such incredible people. We are incredibly proud of the response of all our teams in stepping up this this challenge.

In response to the Covid-19 pandemic, we had to reconfigure services on all three of our sites, and radically change the way in which we delivered our services. This included segregating our Emergency Departments and Intensive Care facilities and creating a significant number of additional ICU beds in some of our operating theatres and other ward areas. This was a huge team effort, involving significant change and an enormous amount of work for our clinical and non-clinical staff alike, across all our sites. We cannot thank our staff enough for all that they have done over the past few months, in stepping up to this challenge and maintaining safe services for our patients. Every single member of staff deserves to be applauded for their efforts.

Working very closely in response to national guidance, our initial priorities when the first wave of the pandemic struck were as follows:

- to free-up the maximum possible inpatient and critical care capacity;
- to prepare for and respond to, the anticipated large numbers of Covid-19 patients likely to need respiratory support;
- to support staff, and maximise their availability

To free up capacity, we postponed all non-urgent elective operations, re-utilised the freed-up space and staff, and in doing so, were able to significantly increase our critical care capacity. We also freed up a large number of general medical beds through our collaborative efforts with our Community and Local Authority partners in order to discharge significant numbers of medically fit patients. Over the course of the period, the number of these patients has fluctuated, and at times, is still much higher than we would like. However, with the support of our partners, we have broadly been able to maintain patient flow through the hospital throughout the pandemic – and without this, we would not have been able to continue admitting acutely ill patients.

As the year has progressed, we have continued to prioritise high-risk and high-priority treatments, including accessing additional activity within the private sector made available as part of a wider national contract. We are very grateful to our local independent sectors partners – in particular, Nuffield Health Bournemouth Hospital and BMI The Harbour Hospital - who have worked very closely with our teams to prioritise urgent treatments.

On 2 June 2020, Public Health England published their review into disparities around coronavirus risk and this highlighted that across the UK, Black, Asian and minority ethnic (BAME) people are twice as likely to die of Covid-19 than white British people. This stark finding has redoubled our focus and that of our partners on tackling health inequalities, as emphasised in the NHS Long Term Plan. During the first six months of 2020/21, several members of staff from across our two Trusts from a BAME background received treatment for Covid-19. Fortunately, all made a positive recovery.

The issue of racial discrimination and inequalities was again brought to the fore by the brutal death of George Floyd, resulting in a call for an end to racism, discrimination and injustice for black people across the world. Clearly, this has been an important issue for the NHS, both nationally and locally with the growth of the Black Lives Matter protests.

A joint statement on the matter was sent out to both Trusts from the Medical Director and the Chief Executive earlier in the year, outlining the commitment of both Trusts to ensuring that that our health service is a fairer and more compassionate place both in which to work and to receive care. A personal letter from the Chief Executive also went out to every BAME member of staff within our organisations, asking them to arrange a risk assessment and updating them on all the support that is available.

Clearly, as well as responding to the Covid-19 pandemic, a big focus for 2020/21 has been the progress made in taking forwards our merger. We were delighted in April with the news that the Competition and Markets Authority (CMA) had cleared the proposed merger between our two Trusts. The CMA's investigation in this case had confirmed that competition between NHS hospitals now played little role in the provision of NHS services in the east Dorset area, with collaboration often viewed as a better way of meeting increased demand for care and delivering better value. The CMA concluded that the merger did not give rise to competition concerns and therefore should be cleared. As such, the Trusts were released from the commitment that they had given in 2013 not to merge.

This announcement was very welcome news, as we have long been clear that our hospitals would be much stronger working together to provide care for our patients and local people. As well as being essential in order to take forward our plans to create a major emergency hospital and a major planned care hospital in east Dorset, the benefits of joint working have now been clearly demonstrated as we have worked through the Covid-19 pandemic.

As the year moved on, we were very proud when it was confirmed that our new organisation could have University Hospital status officially bestowed on us from 1 October. This meant that our new organisation would legally be known as University Hospitals Dorset NHS Foundation Trust (UHD). Our Board and other colleagues have since set in place arrangements to meet regularly with colleagues in Bournemouth University to establish robust governance arrangements and develop our joint five-year strategy. Achieving university hospital status emphasises UHD's commitment to teaching and research, which will significantly enhance our ability to recruit and retain staff. There is also evidence that University Hospitals deliver better outcomes for patients. Both PHT and RBCH and have a long history of collaborative working with Bournemouth University, which provides a very strong platform moving forwards.

As part of this year's planning guidance, great emphasis has again been placed on strengthening partnership and system working. In this way, partners are expected to better meet the needs of local people and use all resources to best effect.

Throughout the Covid-19 pandemic, partners within the Dorset system have been working very closely and effectively together, resulting in the development of even stronger relationships and more streamlined decision-making processes. This work will continue as we move into the "recovery stage".

It is anticipated that Integrated Care Systems (ICSs) will play an even more important role in the planning and delivery of integrated local services and in tackling health inequalities. As such our work in developing the Dorset ICS will continue to be a priority going forwards.

Throughout this time, we have been fortunate to have the support of our staff, governors, volunteers, fundraisers and members. Your hard work and dedication make our hospitals the places that they are today, and we should like to take this opportunity to sincerely thank you for your contribution. With your on-going support, our new Trust will be established as a listening and responsive organisation – one that continues to be valued and highly regarded within our local community.

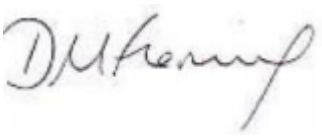
Despite the disruption associated with COVID-19, we were delighted to go ahead with the Annual Members Meetings for each of our Trusts this autumn. Poole Hospital NHS Foundation Trust held its Annual Members Meeting on Thursday 17 September 2020, whilst The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust held its Annual Members meeting on Tuesday 29 September 2020. We were so pleased to

be able to connect with our members and to share the challenges and successes of each Trust, whilst at the same time maintaining safety by broadcasting these events live via Microsoft Teams.

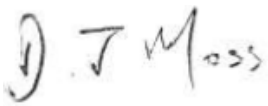
We are also grateful to all our partners across the Dorset Integrated Care System – that is, Dorset Healthcare, Dorset County Hospital, BCP Council, Dorset Council, South Western Ambulance Service, the Dorset Clinical Commissioning Group (CCG) Dorset Police and the Dorset Fire and Rescue Service for all their on-going support. We look forward to continuing to work closely with them as we further develop our Dorset ICS so that we might better meet the needs of local people.

In dealing with all the challenges associated with Covid-19, we have been really touched by the huge amount of support for the NHS that has been demonstrated by the general public. So many messages have been received, in so many ways, and these - coupled with the Thursday evening “Clap for Carers” - have really made our staff feel valued. All this support made such a difference at the start of the year in encouraging us to keep going on. We really appreciate the generosity of all those who have money, gifts and support to our Trusts. It means a lot to our staff to be recognised for their efforts, and to know that they are highly valued as they work to provide patients with the best possible care, during these difficult times.

We have a very exciting future ahead of us as the new University Hospitals Dorset NHS Foundation Trust, and we want it to be an even better place to work and to receive care than either of our predecessor Foundation Trusts. We know that we can serve local people better as a larger, more resilient organisation, and we are committed to delivering real benefits as a consequence of this change. Thank you for supporting us as we continue on our journey.



Debbie Fleming, Joint Chief Executive



David Moss, Joint Chairman

1.2 About our Trust

Poole Hospital NHS Foundation Trust is an acute general hospital based on the South coast of England. The hospital has a 24-hour major accident and emergency department and is the designated trauma unit for East Dorset, serving a population of over 500,000 people.

The Trust provides general hospital services to the population of Poole, Purbeck and East Dorset – around 280,000 people – as well as a range of additional services such as maternity and neonatal care, paediatrics, oral surgery, ENT and neurology to a wider population including Bournemouth and Christchurch.

In addition, the hospital's flagship Dorset Cancer Centre provides medical and clinical oncology services for the whole of Dorset, serving a total population of over 750,000.

Brief history of the Foundation Trust

Poole Hospital became an NHS Foundation Trust on 1 November 2007 under the National Health Service Act 2006. NHS Foundation Trusts are not-for-profit, public benefit corporations. They provide and develop healthcare according to core NHS principles – free care, based on need and not ability to pay.

Foundation Trusts are regulated by NHS Improvement, whose main duty is to protect and promote the interests of patients. Foundation Trusts have greater freedom to develop services in the way that suits local communities and staff. They can decide how to spend their money, borrow capital and generate income, re-invest any surplus cash on developing new services and also own their assets.

As a Foundation Trust, Poole Hospital is run by a Board of Directors, made up of non-executive and executive directors. The Board of Directors is held to account by the Council of Governors, who represent the local community through a membership base made up of local people from the Trust's catchment area and staff.

Anyone who is over the age of 12 and resides in the UK may apply to be a public member of Poole Hospital NHS Foundation Trust. Staff are automatically members unless they choose to opt out.

Full details on the Board of Directors and Council of Governors can be found in the Accountability Report from page 16.

Poole Hospital NHS Trust Foundation Trust is licensed by NHS Improvement, the healthcare regulator, as an acute hospital to provide health services to its local population. These services are commissioned by a number of different bodies – that is, local commissioners known as Clinical Commissioning Groups (CCGs), local authorities (for some public health services) and NHS England, which commissions all specialised services across the country.

The Trust is also registered with the Care Quality Commission (CQC), which has a specific interest in patient quality and safety issues. Both NHS Improvement and the CQC work closely together to ensure that the Trust is well regulated. The Trust's business is to provide excellent services to patients, in a way that is consistent with commissioner specifications and meets the standards of the CQC. Only in delivering all of the above can the Trust be assured that it will retain its licence to operate from NHS Improvement.

The Trust provides a wide range of inpatient, day case and outpatient services for patients and these are predominately delivered from the main hospital site, with a small number of services delivered from the St Mary's site, situated nearby. However, over time and in line with changing commissioning intentions which reflect the changing demographics and health needs of the local population, Poole Hospital expects to change its business model, to deliver more services out of hospital, in a community setting or within patients' own homes, as well as changes in line with the Dorset Clinical Services Review (CSR).

The Trust Board and Governors are responsible for establishing and maintaining effective systems and process (that is, our governance arrangements) to ensure the effective delivery of all the Trust's objectives. In particular, these governance arrangements must demonstrate that the Trust can successfully manage any principal risks, which if left unmanaged could adversely affect the future wellbeing of the organisation. Central to the evidencing of this is the Trust's Annual Governance Statement (see page 78) which is produced every year and summarises any key issues and concerns.

Our Vision

Our vision is to provide excellent person-centred emergency and planned care to the people we serve, and the hospital has a unique philosophy which underpins that care.

The Poole Approach has been in place for more than 20 years and pledges that we will strive at all times to provide friendly, professional, person-centred care with dignity and respect for all. It is a unique set of values that guide staff every day. In 2015, we asked staff, patients and the public whether the underpinning values remained valid. Nearly 2,000 people took part and using this feedback, the Poole Approach was translated into five value themes:

- Compassionate
- Open
- Respectful
- Accountable
- Safe

Our Charitable Fund
The NHS Foundation Trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation 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 charity administers funds for the provision of patient care and staff welfare at Poole Hospital. Money is raised through a variety of activities, including fundraising events, individual donations, corporate support and legacies.

2. PERFORMANCE ANALYSIS

2.1 How we Measure Performance

We measure our performance using the NHS Oversight Framework 2019/20. This framework has five themes:

1. Quality of care (safe, effective, caring, responsive)
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

We report our performance to the Trust Board on a monthly basis and we are also monitored by NHSE/I. The Integrated Quality & Performance Report, our monthly performance report, provides the Board with an overview of latest performance against the key metrics and identifies exceptions, including position exceptions, where performance has outperformed usual tolerances, or where a target is falling short. Within the NHS Oversight Framework are key constitutional standards, set out within the NHS Constitution as standards which we pledge to achieve. Whilst pledges are not legally binding, they represent a commitment by the NHS to provide comprehensive high-quality services. Poole Hospital has a track record for strong performance against national and local standards, and we are proud of the performance indicators we have again achieved during the period.

Under operational performance the Framework includes these standards:

- A&E waiting times,
- referral to treatment times,
- cancer treatment times,
- mental health treatment times
- ambulance response times.

Emergency Care Pathway:
Poole Hospital is one of 14 trusts across England testing the proposed new urgent and emergency care standards. This will help the NHS to understand the impact they have on clinical care, patient experience and the management of services, compared to the current single four-hour access standard in A&E. During field testing we will be monitoring the new measures so reporting against the 4-hour standard is not be required. Reporting of performance against Field Testing standards has been in place since 22 May 2019.

2.2 How we have performed during the first half of 2020/21

From March 2020 the focus of the Trust was redirected to first wave COVID-19–19 preparations and response. The planned response resulted in a reduction in elective capacity and increased waits for routine planned work, although overall numbers of people waiting fell due to reduced demand. The managed recovery following the first wave of the pandemic has included a focus on re-establishing all cancer and urgent activity and re-establishing routine elective activity safely whilst complying with national infection control guidance and the use of Personal Protective Equipment (PPE) and social distancing. Complying with all infection control guidance has resulted in less activity being undertaken in re-established outpatient, procedure and theatre sessions for some specialities. These measures have impacted on the performance reported against the operational standards.

Up until the end of September 2020, the demand for elective care had grown by 11% for the period to date and levels of activity in both elective in-patient and outpatients have increased over the first half of the year but remain below the same period in 2019/20 due to the impact on capacity of the measure described above. Delivering the Referral to Treatment (RTT) 18-week access standard has remained challenging as a result of constraints in capacity due to staffing and compounded by the pandemic and increasing demand. Recovery and restoration action plans have been developed to improve performance against the 18-week access standard, with a particular focus on 52 week plus waiters. Whilst the Trust continues to need to meet the demands of COVID–19, all available operating capacity is allocated to time dependent surgery. This then impacts on waiting times for planned surgery.

Delivery of performance against the DM01 diagnostic access standard of 99% of waits within 6 weeks, during the first half of the year has seen a strong recovery. Performance in September 2020 was higher than in 2019/20. For cancer the 62-day standard was not met at the end of September, although the service did achieve the majority of other standards possible. Diagnostic waits and late referrals have been contributing factors alongside surgical capacity.

For Poole site ED, attendances and emergency admissions are reduced compared to the same period in the previous year. Poole remains part of the national pilot scheme for the new emergency care standard and is excluded from reporting against the 4-hour target.

2.3 Clinical Performance (commentary above)

Performance Metric	Target	Performance last year 2019/20	Performance 1 April - 30 Sept 20
A&E - % patients admitted, transferred or discharged within 4 hours	95%	ED pilot – no 4hr standard reporting	ED pilot – no 4hr standard reporting
Diagnostics – % patients seen within 6 weeks	99%	91.8%	97.5%
Referral to Treatment - % patients within 18 weeks	92%	73.6%	60.2%
Referral to Treatment – number of pathways	Zero growth	13,752	15,201
Cancer - % patients seen within 2 weeks from referral to first appointment	93%	97.1%	95.4%

Breast Cancer - % patients seen within 2 weeks from referral to first appointment	96%	94.6%	96.2%
Cancer - % patients diagnosed being treated within 31 days	85%	98.7%	98.3%
Cancer - % patients being seen 62 days from urgent GP referrals	85%	77.6%	81.1%
Cancer - 28-day Faster Diagnosis Standard	85%		84.4%

2.4 Financial Performance

In response to the COVID-19 pandemic, national interim financial arrangements have been implemented throughout the whole of this reporting period. Consistent with this, the Trusts income is no longer conditional upon activity levels and financial performance, with income received as follows:

- a fixed monthly payment from commissioners reflecting income reported within the December 2019 financial returns, uplifted for inflation;
- a fixed monthly 'top-up' payment based on the average expenditure reported during November 2019, December 2019 and January 2020; and
- a retrospective 'true-up' payment to cover specific COVID-19 costs and income losses and support a financial break-even position.

As a result of these arrangements, the Trust is reporting a financial break-even position, supported by a variable retrospective 'true-up' payment. This total payment amounted to £5,249k.

2.5 Environmental Matters

Sustainability

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve and to protect the environment which sustains them. Our aim to improve the health and resilience of communities, in the immediate and the long term, drives our efforts to is embed sustainably across the organisation.

This includes a commitment to responsible management of energy and water consumption and carbon emissions, a sustainable procurement strategy; a transport and active travel policy designed to reduce the negative environmental, health and social impacts of transport and reduce our carbon footprint; a range of waste reduction and recycling initiatives as well as a proactive staff engagement and communications strategy. The Trust also has a dedicated sustainability officer acting as the key contact within the Trust for all related enquiries, as well as promoting actions that the Trust is taking to reduce carbon emissions.

2.6 Social, Community and Human Rights

Equality and Diversity

Poole Hospital has a commitment to equality and diversity as a provider of healthcare services and as an employer. The provisions of the Equality Act 2010 are applied across the Trust in relation to all protected characteristics to progress equality, diversity and inclusion in all services and the employment of our staff.

The Trust's positive approach to equality and diversity is supported by the values of the Poole Approach which progress the delivery of inclusive services. Equality, diversity and inclusion training is delivered to all new staff on joining the Trust and within Core Skills training attended by all staff.

The work of the Equality, Diversity and Inclusion Group, led by an executive director, provides assurance of a range of actions in place to support best practice and the development of skills and understanding in inclusion across the Trust.

The Trust reports and takes actions on the NHS Workforce Race Equality Standard (WRES) and NHS Workforce Disability Equality Standard (WDES) and also the Gender Pay Gap.

Staff engagement on inclusion is in place and the Trust has set in place arrangements to ensure that BAME (Black, Asian and minority ethnic staff) have a voice in the Trust, through membership of a BAME staff network. There is also a LGBT (lesbian, gay, bisexual and transgender) Group which is open to both staff and others and promotes sexual orientation equality for staff and patients.

The regulators, the Care Quality Commission (CQC), and NHS Improvement use equality, diversity and inclusion data from the National NHS Staff Survey, the Equality Delivery System and the Workforce Race and Disability Equality Standards to help assess whether NHS organisational are well-led. The standards are applicable to providers and are subject to the clinical commissioning group's assurance process.

A fair employer

The Trust is proud to be a holder of the status of Disability Confident Employer. The award recognises a practical commitment to fairness in our recruitment process, including the Guaranteed Interview Scheme. It also acknowledges the Trust's commitment to both employing disabled people and delivering a range of support to ensure that staff with disability are developed and retained within the Trust.

Counter Fraud and Security Management Service

To help protect valuable NHS resources and ensure continued funding for the provision of services, the Trust is committed to preventing losses to fraud, corruption and error. Whilst the vast majority of staff, contractors and patients are honest, unfortunately experience has shown that there are a small minority who are willing to steal from the NHS.

The Trust employs a specialist service to investigate complaints of suspected fraud, bribery and corruption. It has a number of policies relating to fraud, bribery and corruption including a Fraud Response Plan, Standards of Business Conduct Policy, Whistleblowing Policy and the National Fraud Initiative.

2.7 Overseas Operations: None

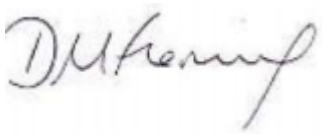
2.8 Protecting Patients' Information

Information Governance is an important issue for the Trust, and the Senior Information Risk Owner (SIRO) and Caldicott Guardian are both Board level appointments, leading the drive to achieve standards for Information/Cyber Security, Confidentiality and Data Protection, Records Management, and Secondary use of Information. The Trust are signatories to the Dorset Information Sharing Charter (DISC) and the Dorset Care Record (DCR), which is bringing together vital information from all services which will assist in providing higher levels of care across Dorset. This highlights the Trust's commitment to working more collaboratively with our partners across Dorset. In both cases the relevant parties liaised closely with the Information Commissioner's office, to ensure appropriate steps were taken to maintain high levels of confidentiality. Details of the (DCR) were communicated to Dorset residents, with an opt out facility should they wish to not participate, and towards the end of this project patients will be able to gain access to a secure portal to view their medical information.

The Trust take a positive approach to information rights, and protecting people's information rights is a frontline service and we ensure we conform to all legislation requirements, by undertaking the following:

- All staff are expected to take a positive approach to their responsibilities, and ensure they understand the importance of information rights and their own responsibility for delivering them
- Ensuring all staff receive information management/security training, annually by providing regular corporate training sessions, electronic training, ad hoc sessions, which include assessments where an acceptable level must be achieved and making guidance readily available in paper and electronically, achieving compliance level of 95%.

- Providing clear policies and guidance which are easily accessible to all staff, which are reviewed and updated accordingly.
- Conducting confidentiality audits throughout the Trust
- Clearly displaying the Trust's privacy notice.
- Ensuring all Incidents are reported, investigated and managed in accordance with national requirements. The Trust is committed to monitoring incidents to ensure that they are robustly investigated, appropriate actions are taken which would include action to improve patient safety and that lessons are learned in order to minimise the risk of similar incidents occurring in the future.



Debbie Fleming, Joint Chief Executive

28 April 2021

SECTION B: ACCOUNTABILITY REPORT

3.1 Governance and membership

Introduction

As a Foundation Trust, Poole Hospital is run by a Board of Directors. This is made up of executive and non-executive directors. The Board of Directors is responsible for setting and achieving the long-term strategic goals and key objectives of the Foundation Trust and ensuring that it meets the terms of its licence. In scrutinising the report and accounts they were found to be fair, in representing a true representation of the issues encountered by the Trust, balanced in presenting a consistent view of the Trust and its performance and understandable, in using straightforward language in an easy to read manner with defined and well linked sections.

Council of governors

The council of governors is responsible for holding the non-executive directors to account for the performance of the Foundation Trust. The council of governors has the powers to appoint the chairman and non-executive directors of the Trust and to approve the appointment of the Trust's chief executive. The council of governors also has the powers to remove the chairman and non-executive directors at a general meeting of the council of governors.

3.2 Key activities of the Board of directors

The Board of Directors is made up of executive directors and non-executive directors. The board usually meets every other month and its role is to determine the overall corporate direction of the Trust and ensure delivery of our goals, contractual targets and regulatory requirements. The board has reserved powers to itself covering:

- Regulation and control
- Appointments
- Strategy, business plans and budgets
- Direct operational decisions
- Financial and performance reporting arrangements
- Audit arrangements
- General enabling provision to determine any matter within its statutory powers.

The board delegates areas of its powers to its committees (not including executive powers unless expressly authorised). The schedule of delegation for the board committees and for the executive committee of the Trust is set out in standing orders.

The board has given careful consideration to the range of skills and experience required for the running of an NHS Foundation Trust and confirms that the necessary balance and completeness has been in place during the period under report.

The Trust has various routes for resolving disagreements between the Board of Directors and the council of governors. These include the interventions of the senior independent director and the deputy chairman of governors (who is a governor). There is also a formal position for resolving any disagreements which can be found at:

https://www.poole.nhs.uk/pdf/Dispute%20Resolution%20Procedure%20Final%20Version%20(following%20CoG%201-5-14).pdf

Non-executive directors may have their tenure terminated by their own resignation, through the intervention of NHS England and Improvement or a decision by the council of governors based on the approval of three quarters of the members of the council of governors.

The Trust has a formal statement regarding the division of responsibilities between the chairman and chief executive as required by Monitor's (now NHS Improvement's) code of governance.

Board evaluation and NHS Improvement's Well-Led Framework

The Board and the sub-committees were evaluated in October 2019 by the Care Quality Commission as part of the CQC's inspection of the well-led question. The Trust was rated as "good". Prior to the inspection the board undertook a self-assessment against the Well-Led Framework in the summer of 2019. The Trust has an experienced and credible leadership team with the skills, abilities and commitment to provide high-quality services. The board promotes a positive culture within the Trust. In particular, the "Poole Approach" is embedded in the work of the organisation and is underpinned by the values of compassion, openness, respect, accountability and safety. Performance, quality and risk are reported directly to the board with standardised ward to board performance data providing key quality and safety metrics.

Board development

The board has also been fully cognisant of its own development needs, although during the reporting period Development sessions were suspended in the light of the Covid-19 pandemic.

3.3 Working with governors

The Trust has a formal engagement document, that sets out how the Board of Directors works with the council of governors to ensure the directors have an understanding of the views of governors and members and directors are invited to the council of governors meetings. The document underlines the importance of frequent informal communication in building a positive and constructive relationship and outlines formal communication methods and can be found on our website: https://www.uhd.nhs.uk/about-us/who-we-are/our-governors

3.4 Members of the Board of Directors

David Moss, joint chairman

Date of appointment: 1 January 2019

David has extensive experience of health services locally. He was Chief Executive of Poole Hospital from 1985-1988 and Chief Executive of Southampton University Hospitals Trust from 1988-2004 where he oversaw the transformation and merger of 10 hospitals into one Trust. He has been Chair of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust since March 2017. He has also been Deputy Director of Human Resources for the NHS, interim Chief Executive of The Royal College of Physicians and has extensive non-executive experience.

Philip Green, non-executive director; vice chairman and chairman of the audit and governance committee (from 1 December 2015)

Date of appointment: 25 April 2015
Date of expiry: 24 April 2021

Philip had 40 years' experience working in the aerospace and defence sector, firstly at BAE Systems PLC and then at Meggitt PLC, a FTSE 100 company, where he was a member of the Board of Directors for 19 years. He retired recently from Meggitt where he held the position of Executive Director, Commercial and Corporate Affairs responsible for commercial, legal and compliance matters as well as UK and US government relations.

Stephen Mount, non-executive director; chairman of finance and investment committee

Date of appointment: 1 December 2017
Date of expiry: 30 November 2020

Stephen currently chairs the Audit Committee at Gama Aviation Plc (Gama) and the Finance and Performance Committee. He also acts internationally as an expert witness on financial reporting, corporate governance and auditing matters; and is a member of the Regulatory Decisions Committee (RDC) of the Financial Conduct Authority (FCA) and the Determinations Panel (DP) of The Pensions Regulator (TPR).

In 2020 he stood down after 4 years as a member of the Audit Quality Review Committee (AQRC) at the Financial Reporting Council (FRC). Until retirement in 2016 Stephen was a senior partner with PwC acting as global lead partner for a wide range of Fortune 500 and FTSE listed companies, which has given him accumulated experience equivalent to having served as an NED with over 40 major UK and internationally listed public companies. He is a Governor of Reading Blue Coat School and lives in The New Forest.

Dr Calum McArthur, non-executive director; chairman of quality, safety and performance committee

Date of appointment: 1 November 2014
Date of expiry: 31 October 2020

Surgeon Rear Admiral Calum McArthur, who retired from the Royal Navy at the end of 2014, took up the role with Poole Hospital's Board of Directors on 1 November. He is the Head of Joint Medical Command for HM Forces and Royal Navy Medical Director General and also a practising GP.

Caroline Tapster, non-executive director.

Date of appointment: 1 December 2015
Date of expiry: 30 November 2021

Caroline Tapster CBE has spent the last 30 years working in local government and the NHS, in Dorset, East Sussex and Kent. She joined Hertfordshire County Council in 1995 becoming Director of Adult Care Services in 2001 and was appointed Chief Executive in 2004. During this time, she was a Governor of Oakland's FE College, President of Hertfordshire Agricultural Society, a Board member of Hertfordshire PCT, and was awarded an Honorary Doctorate from the University of Hertfordshire.

She has been a Board Member of SOLACE, a past Chairman of ACCE, a member of numerous National Advisory Groups and Government Reviews and has served as a non-executive director of the Disclosure and Barring Service and as a Trustee of the Terence Higgins Trust. She is currently Director of Health and Wellbeing System Improvement for the Local Government Association.

David Walden, non-executive director, chairman of charitable funds committee

Date of appointment: 1 December 2015
Date of expiry: 30 November 2021

David Walden CBE was a Senior Civil Servant in the Department of Health from 1989 to 2004. Previous appointments also include: Director at the Social Care Institute for Excellence, Strategy Director at the Commission for Social Care Inspection, Transition Director establishing the Regulator of NHS Foundation Trusts (Monitor) and Director of Anchor Trust. In the early 1990s he was Director of Human Resources at Poole Hospital. David also sits on the Board of Affinity Trust, which provides services for learning disabled people, and the Barchester Foundation.

Nick Ziebland, non-executive director; senior independent director (from 1 December 2015) and chairman of the workforce and organisational development committee

Date of appointment: 31 August 2011
Date of expiry: 30 August 2020

Nick is a former executive at the British Airports Authority (BAA), having previously worked for companies including J Sainsbury and Imperial Group. He has also served as a non-executive director for the South East Coast Strategic Health Authority and as an independent committee member for Dorset Community Health Services.

Debbie Fleming, joint chief executive

Date of appointment: 1 April 2014

Debbie brings with her over 30 years' experience in the NHS. She joined Poole Hospital from NHS England, where she served as area director for Wessex, and has also held a variety of other senior posts within the NHS including more than a decade in chief executive roles at Bournemouth & Poole and Hampshire primary care Trusts. Her appointment as chief executive marks a return to Poole Hospital for Debbie. She began her NHS management career at the hospital and enjoyed ten years as the Trust's general manager for medicine during the 1990s.

Mark Mould, chief operating officer

Date of appointment: 7 April 2014

Mark joined us from University Hospital of North Staffordshire NHS Trust, where he has provided key operational leadership in a number of senior roles, including acting chief operating officer and deputy chief operating officer. Mark's extensive NHS experience also includes Salford Royal Hospital NHS Trust.

Patricia Reid, director of nursing

Date of appointment: 6 February 2017

Patricia is a highly experienced nurse and senior manager with extensive NHS experience. She joins us from Luton and Dunstable University Hospital where she was chief nurse. She also has a wide variety of experience outside of the NHS, including serving as clinical editor of the Nursing Times and being on the board of the British Medical Journal as their first ever nurse representative.

Pete Papworth, joint interim director of finance

Date of appointment: 1 October 2019

Pete was appointed to Royal Bournemouth Hospital in May 2017 following five years as the Trust's Deputy Director of Finance. Pete is a chartered accountant and brings 14 years' experience working across all aspects of the public sector in Dorset, since joining the Audit Commission's Graduate Scheme in 2003. Pete joins Poole Hospital as the joint interim director of finance, working across both Trusts.

Dr Matt Thomas, acting medical director

Date of appointment: 1 January 2020

Matt has been a consultant looking after older people at Poole Hospital since 1995. He has had roles with both the Royal College of Physicians of London and the Royal College of Physicians of Edinburgh as well as with NHS Elect's Acute Frailty Network. He has lectured internationally on older people services and examines trainee physicians both in the UK and abroad.

Details of all the Board members and their declarations of interest can be viewed on the Trust's website: https://www.uhd.nhs.uk/uploads/about/docs/bod/Register_of_Directors_Interests_Annual_Return_as_at_March_2020.pdf

In addition, during the period the following served on the board in a non-voting capacity:

- Jacqueline Cotgrove, director of workforce and organisational development (August 2016)

All of the non-executive directors are considered to be independent by the Board of Directors. This included Mr Nick Ziebland who had served on the Board of Directors for more than six years and had been reappointed by the Council of Governors for a further period of one year, beginning on 30 August 2019. The reappointment of Mr Ziebland had been viewed as necessary in order to provide continuity in light of his role as Senior Independent Director in the lead up to the proposed merger.

In determining Mr Ziebland's independence, the Board of Directors considered whether his previous tenure as a non-executive director of the Trust might affect his independence. The Board's conclusion, based on a number of factors including his experience and knowledge and the fact that Mr Ziebland has always exercised a strongly independent judgement during the preceding period of tenure as a non-executive director, was that the independence of his character and judgement was not compromised. For these reasons the Board of Directors considers Mr Ziebland to be independent in character and in judgement.

Since 1 January 2019 the chairman is an interim joint appointment with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.

As far as each individual director of Poole Hospital NHS Foundation Trust is aware, there is no relevant audit information of which the Foundation Trust's auditors is unaware. Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Foundation Trust's auditor is aware of that information.

A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above, and:

- Made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and
- Taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

The Board of Directors has approved a policy for the provision of any non-audit service that might be provided by the Trust's external auditor. This policy removes any unnecessary restrictions on the purchase of services from the external auditor but ensures that any non-audit service provided by them cannot impair or cannot be seen to impair the objectivity of their opinion on the financial statements. The Trust's current auditors, KPMG, were appointed from April 2018 and have provided non-audit services to the Trust since appointment.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS April – September 2020

NAME OF COMMITTEE	**BOARD OF DIRECTORS**							
	MEETING DATES							
Membership (Voting Members)	**29 April 2020**	**27 May 2020**	**24 June 2020**	**29 July 2020**	**26 August 2020**	**15 September 2020 ***	30 September 2020	
DAVID MOSS Trust chairman	✓	✓	✓	✓	✓	✓	✓	
DEBBIE FLEMING Chief executive	✓	✓	✓	✓	✓	✓	✓	
PHILIP GREEN Non-executive director	✓	✓	✓	✓	✓	✓	✓	
CALUM MCARTHUR Non-executive director	x	✓	✓	x	x	x	✓	
STEPHEN MOUNT Non-executive director	✓	✓	✓	x	✓	x	✓	
MARK MOULD Chief operating officer	✓	✓	x	✓	x	✓	✓	
PETE PAPWORTH Joint Interim Director of finance	✓	✓	✓	✓	✓	✓	✓	
PATRICIA REID Director of nursing	✓	✓	✓	✓	✓	x	x	
CAROLINE TAPSTER Non-executive director	✓	✓	x	✓	✓	✓	✓	
MATT THOMAS Acting medical director	✓	✓	✓	✓	✓	✓	✓	
DAVID WALDEN Non-executive director	✓	✓	✓	✓	✓	✓	✓	

NICK ZIEBLAND Non-executive director	✓	✓	✓	✓	✓	✓	✓	
Other directors (non-voting members)								
JACQUELINE COTGROVE Director of workforce & organisational development	✓	✓	✓	✓	✓	✓	✓	
Was the meeting quorate?	Y	Y	Y	Y	Y	Y	Y	

* Extraordinary Board meeting

3.5 AUDIT AND GOVERNANCE COMMITTEE

Chairman : Philip Green, non-executive director

The audit and governance committee, which consists of four non-executive directors of the Trust, other than the chairman, has an important role to play in ensuring we conduct our financial affairs within an environment of honesty and integrity. The main objectives of the committee are to ensure that the Trust's activities are within the law and regulations covering the NHS and that an effective internal financial control system is maintained.

The committee must be able to assure the Board of Directors that the system of internal control is operating effectively and that there are clear processes to ensure that proper risk and governance procedures are in place.

Full terms of reference for the committee can be found on our website. A full annual report of the committee is presented to the council of governors each July and can be found within the published agenda and papers on our website: https://www.uhd.nhs.uk/about-us/decisions

Internal audit

Internal auditors assist the audit and governance committee by providing a clear statement of assurance regarding the adequacy and effectiveness of internal controls. The director of finance is professionally responsible for implementing systems of internal financial control and is able to advise the audit and governance committee on such matters. The internal audit function is provided by BDO. Internal Audit has reported as follows:

- Merger Preparedness Design and Effectiveness;
- Information Asset Owner Processes Design and Effectiveness
- Cyber Security Design and Effectiveness

External auditors

The role of external auditors is to provide an independent audit opinion on the annual report and accounts, as well as providing a limited assurance opinion on the quality report. The council of governors appointed KPMG commencing in April 2018. The assessment of the effectiveness of the external audit process is a matter for the director of finance.

The key elements for the framework of assessment of effectiveness of the external audit process employed by the director of finance include a review of performance in relation to the contracted service specification, the standard of audits conducted, the recording of any adjustments, the timeliness of reporting, the availability of the Auditor for discussion and meetings on key issues, and the quality of reporting to the Audit and Governance Committee, the Board of Directors and the council of governors. Using this framework, the director of finance as at 30 September 2020 is satisfied with the effectiveness of the external audit process.

AUDIT AND GOVERNANCE COMMITTEE ATTENDANCE REGISTER April – September 2020

NAME OF COMMITTEE:	**AUDIT AND GOVERNANCE COMMITTEE**
REPORTS TO:	**BOARD OF DIRECTORS**
	MEETING DATES

Membership (as per Terms of Reference).	14 May 2020	23 June 2020 *	16 July 2020			
PHILIP GREEN Chairman / non-executive director	✓	✓	✓			
STEPHEN MOUNT Non-executive director	✓	✓	x			
DAVID WALDEN Non-executive director	✓	✓	✓			
NICK ZIEBLAND Non-executive director	✓	✓	✓			
In attendance:						
DAVID MOSS Trust chairman	x	✓	✓			
Executive Directors/Deputies	✓	✓	✓			
External Audit	✓	✓	✓			
Internal Audit	✓	✓	✓			
Counter Fraud	x	x	✓			
Was the meeting quorate? **Y/N**	Y	Y	Y			
*Special meeting of the audit and governance committee and finance and investment committee						

*

3.6

3.6 FINANCE AND INVESTMENT COMMITTEE

Chairman: Stephen Mount, non-executive director

The finance and investment committee is a sub-committee of the Board of Directors.

The committee receives detailed monthly financial reports so that it can ensure the use of our financial resources is robust. It sets the policy for and scrutinises cash investments, reviews detailed business cases, oversees the progress of agreed capital investments and reviews financial planning and budgeting processes. The committee also reviews and provides assurance on behalf of the board to the department of health and social care around the costing process and methodology required by the reference cost guidance.

Membership of the committee comprises of a non-executive director (chairman), director of finance, chief operating officer, chief executive and two other non-executive directors. Other senior managers may attend on an *ad hoc* basis as requested by the committee.

The committee meets at least monthly prior to the board meeting or more frequently if required. During the reporting period, the committee met jointly with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.

FINANCE AND INVESTMENT COMMITTEE ATTENDANCE REGISTER April – Sept 2020

NAME OF COMMITTEE	**FINANCE & INVESTMENT COMMITTEE**
REPORTS TO:	**BOARD OF DIRECTORS**
	MEETING DATES

Membership (as per Terms of Reference).	**27 April 2020**	**26 May 2020**	**29 June 2020**	**27 July 2020**	**24 August 2020**	**28 September 2020**						
STEPHEN MOUNT (chairman) Non-executive director	✓	✓	✓	✓	✓	✓						
DEBBIE FLEMING Chief executive	✓	✓	✓	✓	✓	✓						
DAVID MOSS Trust chairman	✓	✓	✓	✓	x	✓						
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓						
PETE PAPWORTH Joint Interim Director of Finance	✓	✓	✓	✓	✓	✓						
CAROLINE TAPSTER Non-executive director	✓	✓	✓	✓	✓	✓						
In attendance:												
Deputy director of finance	✓	✓	✓	✓	✓	✓						
Was the meeting quorate? Y/N	Y	Y	Y	Y	Y	Y						

3.7 QUALITY, SAFETY AND PERFORMANCE COMMITTEE
Chairman: Calum McArthur, non-executive director

The quality, safety and performance committee is a committee of the Board of Directors.

The committee receives detailed quality, safety and performance reports so that it can ensure that patient safety and quality of services meet registrations and compliance requirements.

Membership of the committee comprises two non-executive directors (one of which chairs the committee), the director of nursing, medical director and chief operating officer.

The committee meets monthly.

QUALITY, SAFETY AND PERFORMANCE COMMITTEE ATTENDANCE REGISTER April – September 2020

NAME OF COMMITTEE:	**QUALITY, SAFETY AND PERFORMANCE COMMITTEE**
REPORTS TO:	**BOARD OF DIRECTORS**
	MEETING DATES

Membership (as per Terms of Reference).	**27 April 2020**	**26 May 2020**	**29 June 2020**	**27 July 2020**	**24 August 2020**	**28 September 2020**					
CALUM MCARTHUR (chairman) Non-executive director	✓	✓	✓	✓	x	x					
PHILIP GREEN Non-executive director	✓	✓	✓	✓	✓	✓					
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓					
PATRICIA REID Director of Nursing	✓	✓	✓	✓	x	✓					
CAROLINE TAPSTER* Non-executive director	✓	✓	✓	✓	✓	✓					
MATT THOMAS Acting medical director	✓	✓	✓	✓	✓	✓					
In attendance:											
DEBBIE FLEMING Chief executive	✓	✓	✓	x	x	✓					
DAVID MOSS Trust chairman	x	✓	✓	✓	x	✓					
Chief pharmacist	✓	✓	✓	x	x	✓					
Internal auditor	x	x	✓	✓	✓	x					
Was the meeting quorate?	Y	Y	Y	Y	Y	Y					

*

chairman from 29 June 2020

3.8 WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE
Chairman: Nick Ziebland, non-executive director

The workforce committee is a committee of the Board of Directors.

The committee receives detailed workforce related reports so that it can ensure that workforce capacity and capability is assured for the future strategic direction of the Trust.

Membership of the committee comprises of three non-executive directors (one of which chairs the committee), the director of workforce and organisational development, director of nursing, medical director and chief operating officer. As a consequence of Covid-19, the committee's planned meetings between April and July 2020 were cancelled.

WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE ATTENDANCE REGISTER April – September 2020

NAME OF COMMITTEE:	WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE				
REPORTS TO:	**BOARD OF DIRECTORS**				
Membership (as per Terms of Reference).	**MEETING DATES**				
	19 August 2020				
NICK ZIEBLAND (chairman) Non-executive director	✓				
JACQUELINE COTGROVE Director of workforce & organisational development	✓				
CALUM MCARTHUR Non-executive director	x				
MARK MOULD Chief operating officer	✓				
PATRICIA REID Director of nursing	✓				
PETE PAPWORTH Joint Interim Director of Finance	✓				
MATT THOMAS Acting medical director	✓				
DAVID WALDEN Non-executive director	✓				
In attendance:					
DAVID MOSS Trust Chairman	x				
DEBBIE FLEMING Chief Executive	✓				
Was the meeting quorate? Y/N	Y				

3.9 APPOINTMENTS COMMITTEE

The appointments committee makes the executive appointments to the Board of Directors. It is made up of the chairman and non-executive directors of the Board of Directors. The chief executive is a member except when an appointment of the chief executive is discussed. The director of workforce and organisational development attends except when his/her own appointment is discussed. Appointments to executive director posts are made in open competition and can only be terminated by the Board of Directors.

3.10 COUNCIL OF GOVERNORS

The council is made up of the Trust chairman, fourteen elected public governors, four elected staff governors, and five nominated by partner organisations governors.

The council plays a role in helping to set the overall strategic direction of the organisation by advising the Board of Directors of the views of the constituencies they represent. It also has specific responsibilities, set out in the National Health Service Act 2006 and the Health and Social Care Act 2012, in relation to the appointment or removal of non-executive directors and their remuneration, the appointment or removal of the Trust's auditors and development of the membership strategy. The council met once during the reporting period (April 2020 to September 2020) as a consequence of Covid-19.

The Trust is committed to embedding transparency and accountability throughout. The Trust recognises it has a specific responsibility to inform NHS Improvement of any potential breach of the provider licence at the earliest practicable opportunity. The Trust believes that its robust and effective engagement policy would ensure this is done should it be necessary. The Trust does not currently foresee any circumstances whereby it would be necessary for the governors to have to inform NHS Improvement of any possible breaches.

The council is chaired by the chairman of the Trust, and Nick Ziebland, non-executive director was the senior independent director for the period of this report and was available to the council of governors if they had concerns about the performance of the Board of Directors, compliance with the provider licence or welfare of the Trust, which contact through the normal channels of chairman or chief executive, failed to resolve or for which such contact is inappropriate.

The council's lead governor is Richard Negus and Steve Heath is deputy lead governor.

Details of governors' declaration of interests which relate to the business of the Trust can be viewed on our public website: https://www.poole.nhs.uk/about-us/council-of-governors.aspx or contact the Committee and Membership Administrator, on 01202 442895.

Governor training and development

The council of governors set up in 2014/15 a reference group called the governor training and development reference group. This is chaired by a governor and supported by the company secretary. The group sets out the development of the governors for the year and continue their focus of training and development sessions for the whole governor body and provide individual training as required. They also agreed to continue the membership to the south west governor exchange network and continue joint development sessions with the Board of Directors.

The governors' development plan covers:

- developing membership engagement and growth
- developing the engagement with directors
- developing the informal reference group
- developing the role of the governor
- developing resources.

All governors are provided with an induction and receive appropriate updates on relevant publications.

The council is kept fully informed through governor briefings and clinical presentations throughout the period, some of which members of the Trust are invited to.

The council will continue to develop further the membership and its engagement with members through the overarching membership strategy and the membership engagement reference group.

The chairman takes steps to ensure that governors have the skills and knowledge they require to undertake their role. This includes access to a comprehensive induction process and development training events.

Elections

There were no elections held during the reporting period.

Governor expenses

During the period of April to September 2020, governors claimed expenses for mileage and related car parking charges to attend meetings or training events both locally and nationally, totalling £982.40.

Wherever possible governors will car share when attending events in the region.

COUNCIL OF GOVERNORS April to September 2020 ATTENDANCE REGISTER AND TERMS OF OFFICE

Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates			
					30 July 2020	15 September 2020 *		
Mr David Moss	Chairman of the Council of Governors	n/a	n/a	n/a	✓	✓		
Mr David Barnett	Clinical staff	Elected 3 years	01.11.18	31.10.21	✓	✓		
Mrs Shirley Brooks	Poole	Elected 3 years	01.11.18	31.10.21	x	✓		
Mr Robert Bufton	Poole	Elected 3 years	01.04.19	31.03.22	✓	✓		
Mr Roger Burbidge	Volunteers Group	Appointed 3 years	01.04.19	31.03.22	x	x		
Mrs Marie Cleary	Non-clinical staff	Elected 3 years	08.10.19	07.10.22	✓	✓		
Mrs Sharon Collett	Bournemouth	Elected 3 years	01.04.19	31.03.22	✓	✓		
Mrs Christine Cooney	Poole	Elected 3 years	01.11.16 01.11.19	31.10.19 31.10.22	✓	✓		
Mr Steve Heath	Poole	Elected 3 years	01.11.18	31.10.21	✓	✓		
Mrs Diane James	Poole	Elected 3 years	18.11.19	17.11.22	✓	✓		
Miss Joy Johnson	Clinical staff	Elected 3 years	01.11.19	31.10.22	✓	✓		
Mrs Carole Light	Purbeck, East Dorset and Christchurch	Elected 3 years	01.11.18	31.10.21	✓	✓		
Mrs Cathy Lugg	Dorset Council	Appointed 3 years	05.07.19	04.07.22	✓	x		
Dr Andrew McLeod	Poole	Elected 3 years	01.11.18	31.10.21	✓	✓		
Mr James Myles	North and West Dorset, Weymouth, Portland and rest of England	Elected 3 years	01.11.15 01.11.18	31.10.18 31.10.21	✓	✓		
Mr Richard Negus	Poole	Elected 3 years	01.11.15 01.11.18	31.10.18 31.10.21	✓	✓		
Mr Allan Petrie	Bournemouth	Elected 3 years	01.11.18	31.10.21	✓	✓		
Prof Keith Phalp	Bournemouth University	Appointed 3 years	01.04.19	31.03.22	✓	✓		
Dr David Richardson	Dorset Clinical Commissioning Group	Appointed 3 years	09.10.15		x	✓		
Mrs Patricia Scott	Poole	Elected 3 years	01.11.19	31.10.22	✓	✓		
Mr Gary Smith	Clinical – Staff	Elected 3 years	01.04.19	31.03.22	✓	✓		

Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates			
					30 July 2020	15 September 2020 *		
Cllr Ann Stribley	Bournemouth, Christchurch & Poole Council	Appointed 3 years	27.06.11, 27.06.14 26.06.17	25.06.20	x	✓		

No. of Public Governors attending	11	12		
No. of Appointed Governors attending	2	2		
No. of Staff governors attending	3	4		
Was the meeting quorate? Y/N	Y	Y		

3.11 NOMINATIONS, REMUNERATION AND EVALUATION COMMITTEE (NREC)

The council of governors is required to establish a committee consisting of all or some of its members to assist in carrying out the specified functions relating to the appointment of the chair and non-executive directors; the review of the structure, composition and performance of the board; and the remuneration of the chairman and non-executive directors. The committee is chaired by the Trust chairman, and comprises two public members, one appointed member, and one staff member. Members during April to September 2020 were the Trust chairman and:

- Ann Stribley (appointed governor, Bournemouth, Christchurch and Poole Council)
- Christine Cooney (elected public governor)
- Marie Cleary (elected staff governor)
- Sharon Collett (elected public governor)

Electronically facilitated meeting in April 2020 the committee considered:

- The extension of the tenure of a non-executive director (N Ziebland)

In July 2020 the committee considered:

- Appointment of a Non-Executive Director to the Shadow Interim Board
- Remuneration and allowances of chairman and non-executive directors
- Outcome of the Chairman and Non-Executive Directors 019/20 Performance Evaluation for Recommendation to the Council of Governors

During April to September 2020 on the recommendation of the NREC, the council of governors approved:

- The extension to the tenure of a non-executive director (N Ziebland)
- The remuneration and allowances of the chairman and non-executive directors
- The outcome of the 2019/20 chairman and non-executive director appraisal
- Appointment of a non-executive director to the Shadow Interim Board

NOMINATIONS, REMUNERATION & EVALUATIONS COMMITTEE ATTENDANCE April to September 2020

Name	**Constituency**	**Meeting Dates**			
		7 – 15 April 2020	**30 July 2020**		
Mr David Moss	Trust Chairman	✓	✓		
Mrs Marie Cleary	Non-clinical staff	✓	✓		
Cllr Ann Stribley	Bournemouth, Christchurch and Poole Council	✓	x		
Mrs Sharon Collett	Bournemouth	✓	✓		
Mrs Christine Cooney	Poole	✓	✓		
In attendance					

Mr Nick Ziebland	Senior independent director	x	✓		
Mrs Jacqueline Cotgrove	Director of Workforce & OD	x	x		
Was the meeting quorate? Y/N		**Y**	**Y**		

3.12 MEMBERSHIP

Poole Hospital NHS Foundation Trust has a public constituency and a staff constituency. The public constituency has four classes. These are based on geographical areas that reflect our general, emergency and specialist service catchment areas; local government boundaries; and population numbers. They are:

- Poole
- Purbeck, East Dorset and Christchurch
- Bournemouth
- North Dorset, West Dorset, Weymouth and Portland (including the rest of England)

The staff constituency is divided into two classes: clinical and non-clinical.

Anyone aged 12 and over who lives in England and is not employed by Poole Hospital can become a public member.

At 30 September 2020 the Trust had over 6700 public members. All staff and volunteers are members of the Trust automatically unless they choose to opt out.

The membership broadly reflects the populations the Trust serves in terms of diversity. However, as may be expected given the demographics of the local area, the Trust has proportionally slightly more members in the women and older age groups.

Membership development strategy

The main aim of the Trust's membership development strategy is to:

- have a meaningful membership that is interested in the future of the Trust and is representative of the community we serve
- ensure that members have a say in helping us develop the future quality and type of services provided
- use our membership base to strengthen our links with the community and all stakeholders.

In line with the strategy, the major membership activity has concentrated on the following areas:

- increasing governor participation in the recruitment and engagement of member
- organising membership events to increase opportunities for membership engagement and participation
- working to increase overall public membership number in line with agreed annual targets
- working to grow a representative membership.

Elected governors listen to and represent the opinion of the Trust members on a whole range of issues including the objectives, priorities and strategy within the Trust's forward plan. The listening takes place, throughout the year, on an informal basis with one to one governor member contact, clinical presentation events, focussed member event, a range of membership recruitment opportunities and the Trust's annual members' meeting. The governors are given the opportunity to communicate those opinions expressed by members directly or via the council's membership engagement and recruitment group or the council's future plans and priorities group to the council of governors.

Appointed governors are able to present the views of their appointing bodies on the objectives, priorities and strategy within the Trust's forward plan directly or via the council's future plans and priorities group to the council of governors.

The council reserves time in its future plans and priorities group and at formal council of governor meetings to pay particular attention to the Trust's forward plan. Those views expressed to the council of governors are communicated to the Board of Directors via the annual planning processes.

The membership engagement and recruitment reference group of the council of governors had four meetings during the period. The group is chaired by a governor and is supported by the company secretary team.

The Trust held its annual members' meeting on 17 September 2020. Members were invited via Connect. The event was publicised on our website, on our members' Facebook page and throughout the hospital. Presentations were received on the Annual Report and Accounts and the Membership Report.

The Trust newsletter "Connect", is published three to four times a year and as well as informing members of a range of activities and events taking place a column is provided for governors to give an overview of their role. This gives the governors an opportunity to highlight the relevance of their role and to encourage membership engagement with the Trust.

The staff governors are available via email whereby staff members can express views on services and developments within the hospital. This is then anonymously fed back to the chairman and chief executive of the Trust.

3.13 CODE OF GOVERNANCE COMPLIANCE STATEMENT APRIL TO SEPTEMBER 2020

Monitor, now NHS Improvement, the independent regulator of NHS Foundation Trusts, has produced a code of governance, which consists of a set of principles and provisions which may be viewed on NHS Improvement's website:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327068/CodeofGovernanceJuly2014.pdf

Poole Hospital 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.

C. Areas of Non-Compliance with the code

1) Explanation Re: Provisions; the board considers the Trust has met the provisions of the code.

There have been no political donations during the period.

3.14 Going Concern

These accounts have been prepared on a going concern basis.

International Accounting Standards (IAS1) require the directors to assess, as part of the accounts preparation process, the Foundation Trust's ability to continue as a going concern. In accordance with the NHS Foundation Trust Annual Reporting Manual paragraph 3.20, the accounts should be prepared on a going concern basis unless the directors either intend to apply to the Secretary of State for the dissolution of the Foundation Trust without the transfer of the services to another entity, or have no realistic alternative but to do so.

On 1 October 2020, Poole Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust merged their operations into a single Trust, University Hospitals Dorset NHS Foundation Trust. On the same day, Poole Hospital NHS Foundation Trust was dissolved. Whilst Poole Hospital NHS Foundation Trust is therefore not a going concern due to its dissolution as part of the merger, the financial statements of the Trust have been prepared on a going concern basis because its services are continuing to be provided by the successor foundation trust.

4. Remuneration report

4.1 Annual Statement of Remuneration

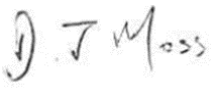
Major decisions on senior managers' remuneration and terms of service, including salary arrangements for newly appointed directors, changes to individual remuneration arrangements and amendments to salary ranges are made by the Trust's Remuneration Committee.

The Remuneration Committee reviews the remuneration arrangements for Executive Directors. It is made up of the Chairman of the Board of Directors and all the Non-executive Directors of the Board.

The Director of Workforce and Organisational Development attends except when his/her own performance and/or salary are discussed. The Chief Executive attends to provide advice on issues concerning the performance of Directors and salary ranges, except when his/her own performance and/or salary are discussed.

The Remuneration Committee did not meet between April and September 2020.

Debbie Fleming, Joint Chief Executive
28 April 2021



David Moss, Chairman
28 April 2021

4.2 Senior Manager's remuneration policy

All Executive Directors are employed on a Trust contract. Directors' remuneration packages do not include any additional components other than salary and entitlement to be part of the standard NHS pension scheme.

Executive Directors' remuneration is managed through a process of objective setting and annual appraisals. Salaries are reviewed by the Trust's remuneration committee following the executive appraisal cycle. Where a senior manager receives more than £142,500 the Trust satisfies itself that this remuneration is reasonable by reference to NHS Providers benchmarking data on Executive Directors' remuneration. The Trust does not consult with employees with regard to senior managers' remuneration policy.

Executive salary is determined upon appointment in line with NHS very senior manager guidelines and/or professional pay scales and benchmarking across the NHS. It is reviewed annually by the Trust's Remuneration Committee.

All operational practice is in line with employment contracts and aligned to annual plan and delivery.

Service contract obligations

Executive Director contracts do not contain Service obligations which could give rise to or impact on remuneration payments or loss of office.

Payments for loss of office

The Remuneration Committee, with regard to HM Treasury guidance, if appropriate, would agree termination payments. Payments for loss of office for executive directors would be made in line with national NHS Policy. The Trust does not have a local policy for payments for loss of office for Directors.

Notice periods for Executive Directors are set in line with national NHS guidelines.

Consideration of general terms

Pay levels are determined by salary surveys conducted by independent consultants and comparisons with salary scales for similar posts in other NHS organisations, and from information provided by NHS Providers.

Senior managers' contracts

All Executive Directors employed during April 2020 to September 2020 were employed on a substantive (permanent) basis. More information on the appointment dates for senior managers can be found in the Board of Directors section from page 17

Directors' substantive contracts carry a six-month notice period.

Benefits policies

Accounting policies for pensions and other retirement benefits are set out in the notes to the accounts and details of senior employees' remuneration can be found on pages 38 to 39.

Expenses paid to Governors and Directors

With regards to expenses paid to Governors, this information is included on page 29 of the annual report.

Non-executive directors

Non-Executive Director remuneration is set out in the salary and pensions entitlements' table below; decisions on Non-Executive Director remuneration are made by the Council of Governors, advised by the nominations, remuneration and evaluation committee (see from page 32 for more details).

Off payroll arrangements: None

4.3 REMUNERATION COMMITTEE

The remuneration committee reviews the remuneration arrangements for executive directors. It is made up of the chairman of the Board of Directors and all the non-executive directors of the board. The director of workforce and organisational development attends except when his/her own performance and/or salary is discussed. The chief executive attends only to provide advices on issues concerning the performance of executive directors and salary ranges, except when his/her own performance and/or salary is discussed.

The Remuneration Committee did not meet during the reporting period.

4.4 Fair Pay Multiples

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

The banded remuneration of the highest paid director at Poole Hospital NHS Foundation Trust in the financial year 2020/21 was £195,000-£200,000 gross excluding salary recharge to another Trust (£95,000-£100,000) (2019/20 £195,000-£200,000). This was 6.5 times (2019/20 7.1 times) the median remuneration of the workforce which was £30,615 (2019/20 £28,243) (whole time equivalent). No employee received remuneration in excess of the highest paid director.

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

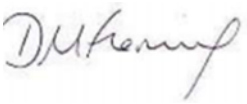
The median pay calculation is based on:

- Payments made to staff in post on 30 September 2020
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employers Pension and employers Social Security costs. The reported annual salary for each whole time equivalent has been estimated by using contracted values.
- Payments made in September 2020 to staff who were part-time were pro-rated to a whole-time equivalent salary.

Included in the calculation is an estimated average cost for agency staff. All agency staff expenditure is processed through dedicated account codes on the financial system. The total expenditure at 30 September 2020 on these codes was used to estimate an average salary. This was calculated by dividing the total expenditure by the estimated number of agency staff used during the period. There has been no deduction made for agency fees for the provision of these staff.

The median salary has been calculated as the middle salary if salaries were ranked in ascending order and equates to £30,615 (2019/2020 £28,243).

The higher paid director is excluded for the median pay calculation.



Debbie Fleming, Joint Chief Executive

28 April 2021

Salary and pension entitlements of senior managers

Remuneration	(a)	(b)	(c)	(d)	(e)	(f)						
	2020-21						2019-20					
Name and Title	Salary	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	Pension Related Benefits	Total	Salary	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	Pension Related Benefits	Total
	£000, Bands of £5k	£, to the nearest £100	£000, Bands of £5k	£000, Bands of £5k	£000, Bands of £2.5k	£000, Bands of £5k	£000, Bands of £5k	£, to the nearest £100	£000, Bands of £5k	£000, Bands of £5k	£000, Bands of £2.5k	£000, Bands of £5k
Mrs. Debbie Fleming - Chief Executive (Note 1)	45-50	-	-	-	N/A	**45-50**	100-105	-	-	-	N/A	**100-105**
Mr. Pete Papworth - Director of Finance (Note 2)	35-40	-	-	-	N/A	**35-40**	35-40	-	-	-	N/A	**35-40**
Mr. Mark Mould - Chief Operating Officer/ Deputy Chief Executive	65-70	-	-	-	17.5-20	**85-90**	130-135	-	-	-	7.5-10	**140-145**
Mrs. Patricia Reid - Director of Nursing (Note 6)	130-135	-	-	-	5-7.5	**135-140**	125-130	-	-	-	0	**125-130**
Mr. Matt Thomas - Medical Director (Note 3)	75-80	-	-	-	0	**75-80**	40-45	-	-	-	N/A	**40-45**
Mrs. Jacqueline Cotgrove - Director of Organisational Development and Workforce (Note 7)	125-130	-	-	-	0	**125-130**	80-85	-	-	-	0	**80-85**
Mr. Peter Gill - Director of Informatics (Note 4)	30-35	-	-	-	2.5-5	**35-40**	60-65	-	-	-	42.5-45	**105-110**
Mr. David Moss - Chairman (Note 5)	10-15	-	-	-	N/A	**10-15**	25-30	-	-	-	N/A	**25-30**
Dr. Calum McArthur - Non Executive Director	5-10	-	-	-	N/A	**5-10**	10-15	-	-	-	N/A	**10-15**
Mr. Nick Ziebland - Non Executive Director	5-10	-	-	-	N/A	**5-10**	15-20	-	-	-	N/A	**15-20**
Mr. Philip Green - Non Executive Director	5-10	-	-	-	N/A	**5-10**	15-20	-	-	-	N/A	**15-20**
Mrs. Caroline Tapster - Non Executive Director	5-10	-	-	-	N/A	**5-10**	10-15	-	-	-	N/A	**10-15**
Mr. David Walden - Non Executive Director	5-10	-	-	-	N/A	**5-10**	10-15	-	-	-	N/A	**10-15**
Mr. Stephen Mount - Non Executive Director	5-10	-	-	-	N/A	**5-10**	15-20	-	-	-	N/A	**15-20**

Note 1. Mrs Debbie Fleming is Interim Joint Chief Executive with The Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). Poole's share of Mrs Fleming's costs have been included in the pay banding's above.
Note 2. Mr Pete Papworth is Joint Director of Finance with The Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). Poole's share of Mr Papworth's costs have therefore been included in the pay bandings above.
Note 3. Mr Matt Thomas was appointed Medical Director on 1st January 2020.
Note 4. Mr Peter Gill is a joint appointment with The Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). Poole's share of Mr Gill's costs are included in the pay bandings above.
Note 5. Mr David Moss is Interim Joint Chairperson with The Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). Poole's share of Mr Moss' costs have therefore been included in the pay bandings above.
Note 6. Mrs Patricia Reid's salary includes contractual pay in leiu of notice, following the merger with The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust on 1 October 2020.
Note 7. Mrs Jacqueline Cotgrove's salary includes contractual pay in leiu of notice, following the merger with The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust on 1 October 2020.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contribution made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
The value dervied does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.
The pension benefit table provides further information on the pension benefits accruing to the individual.

Salary and Pension entitlements of senior managers

Pension Benefits	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name and title	**Real increase in pension at pension age**	**Real increase in pension lump sum at pension age**	**Total accrued pension at pension age at 30 September 2020**	**Lump sum at pension age related to accrued pension at 31 March 2020**	**Cash Equivalent Transfer Value at 1 April 2020**	**Real Increase in Cash Equivalent Transfer Value**	**Cash Equivalent Transfer Value at 30 September 2020**	**Employer's contribution to stakeholder pension**
	(bands of £2500) £000	**(bands of £2500) £000**	**(bands of £5000) £000**	**(bands of £5000) £000**	**£000**	**£000**	**£000**	**£000**
Mrs. Debbie Fleming- Chief Executive (see Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Pete Papworth - Director of Finance (Note 2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Mark Mould- Chief Operating Officer	0-2.5	0	55-60	125-130	1,005	40	1,062	n/a
Mrs. Patricia Reid- Director of Nursing (See Note 3)	0-2.5	0-2.5	35-40	105-110	n/a	n/a	n/a	n/a
Mr. Matt Thomas - Medical Director	n/a	n/a	60-65	160-165	1,297	31	1,350	n/a
Mrs. Jacqueline Cotgrove- Director of Organisational Development and Workforce (See Note 3)	0	0	30-35	95-100	851	n/a	n/a	n/a
Mr. Peter Gill - Director of Informatics (see Note 4)	0-2.5	0-2.5	20-25	45-50	394	18	419	n/a

Note 1. Mrs Debbie Fleming is not a member of the NHS pension scheme.
Note 2. Mr Pete Papworth is not a member of the NHS pension scheme.
Note 3. There is no CETV for the current year as the postholder has taken retirement at the end of the period.
Note 4. Mr Peter Gill is a joint appointment with RBCH and therefore only Poole's share of Mr Gill's costs have been included above.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

5. STAFF REPORT

5.1 National NHS Staff Survey 2019/2020 Findings

The National NHS Staff Survey 2019 full census survey resulted in 1707 staff taking part securing a 43% response rate which is 4% lower than average for acute trusts in England.

Results, in the format of eleven themes on a scale of 1 to 10, show relatively consistent scoring, in comparison to 2018 results, with the trust performing better in seven areas when compared with the comparator group of other acute trusts in England and equal in a further two themes.

National NHS Staff Survey Theme (scored 1 to 10)	Poole Score 2019	Poole Score 2018	Change from 2018 to 2019	National 2019 (average for acute trusts)	Poole 2019 score difference
Equality, diversity and inclusion	9.2	9.3	-0.1	9.0	+ 0.2
Health and wellbeing	6.0	6.1	-0.1	5.9	+ 0.1
Immediate managers	7.0	6.8	+0.2	6.8	+ 0.2
Morale	6.3	6.3	No change	6.1	+ 0.2
Quality of appraisals	5.4	5.2	+0.2	5.6	- 0.2
Quality of care	7.4	7.3	+0.1	7.5	- 0.1
Safe environment - Bullying harassment	8.0	8.2	-0.2	7.9	+0.1
Safe environment – Violence	9.4	9.4	No change	9.4	Equal
Safety culture	6.7	6.7	No change	6.7	Equal
Staff engagement	7.2	7.1	-0.1	7.0	+0.2
Team working	6.7	6.6	-0.1	6.6	+0.1

The Trust has completed fieldwork for the 2020 NHS Staff Survey, which was carried out across the three University Hospitals Dorset sites. This survey has a focus on working through the pandemic and so staff members were invited to answer two questions of:

- ‘Thinking about your experience of working through the Covid-19 pandemic, what lessons should be learned from this time?
- ‘What worked well during Covid-19 and should be continued?’

The Trust has been working in partnership with Quality Health, the survey provider, to deliver a University Hospitals Dorset management report which will provide comprehensive results data based on the combined data and results from both legacy Trusts. This will enable a comprehensive understanding of staff views across University Hospitals Dorset.

National reporting will be in the form of a published report for each of the two legacy Trusts. This is due to the merger taking place after 1 September which was the national date of data capture for those eligible to take part.

5.2 NHS Staff Friends and Family Test 2019/20

The Staff Friends and Family Test encourages staff and volunteers to give their views through a survey in quarters 1, 2 and 4 and in the Staff Survey in Q3.The questions asked are: 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they need care and treatment?' and 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?'

The Trust continued to be consistently higher for Care than the national average in Q1, Q2 and Q3 and was above average for Work in Q3. Q4 national comparative results.

Summary of Staff Friends and Family Results 2019/20

Question 1 How likely are you to recommend the Trust to friends and family if they needed care or treatment?	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2	Quarter 3 – Staff Survey : 78.2% for Care and 68.5% for Work*	Trust Quarter 4	National Quarter 4
Positive Score	85%	81%	84%	81%		83%	TBC
Negative Score	4%	6%	4%	6%		6%	
Question 2 How likely are you to recommend the Trust to friends and family as a place to work?	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2		Trust Quarter 4	National Quarter 4
Positive Score	65%	66%	65%	66%		64%	
Negative Score	15%	16%	15%	16%		14%	

*The national average for Care was 70.5% and 62.5% for Work

Results are published on the NHS England website. In addition, comments made by staff when completing the survey are available to the Trust.

Staff comments made in the Friends and Family Test during 2019/20 include:

How likely are you to recommend the Trust to friends and family if they needed care or treatment?

- I am very proud of Poole Hospital, it provides great care.
- I believe we all work as hard as we can to provide the best care possible.
- I have experienced treatment here myself and it was superb.

How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?

- I couldn't get a better place of work than where I am. The staff are all wonderful and the job is something I love doing
- I have found it an excellent place to work.
- I've always had a good, professional experience here and share the stated (and lived) values of the trust

The Staff Friends and Family Test encourages staff and volunteers to give their views on how likely they are to recommend the Trust to family and friends if they need care and treatment and as a place to work. The NHS Staff Friends and Family Test was suspended due to the Covid-19 pandemic and has not been reinstated.

5.3 Equality, Diversity and Inclusion

Poole Hospital has increased commitment to equality, diversity and inclusion (EDI) as a provider of healthcare services and as an employer. The Trust has supported the development and growth of staff networks, especially for staff from a BAME (Black, Asian and Minority Ethnic) backgrounds and for LGBTQ+ staff (Lesbian, Gay, Bisexual and Transgender, Questioning and other non-binary staff) and also for staff of all abilities through the Pro-Ability network. These networks have played an important part in the support of staff and in helping a wider understanding of equality issues. The active work of the networks was supported by the EDI leads within the Organisational Development Team, which merged in practice to encompass both Poole and Royal Bournemouth & Christchurch Hospital teams in March and took an active part in the work to support BAME staff, including the introduction of risk assessments. The work to promote and support EDI was actively supported by the executive team, to include personal assurance and commitment from the chief executive in a number of areas.

A fair employer

The Trust is proud to hold Disability Confident Employer status: recognising a practical commitment to fairness in our recruitment process, including the Guaranteed Interview Scheme. It also acknowledges the Trust's commitment to both employing disabled people and delivering a range of support to ensure that staff with disability are developed and retained within the Trust.

Applications for employment made by disabled persons

The Trust has an active commitment to both recruiting people with disability and developing and retaining staff with disability and has welcomed the introduction of the Workforce Disability Equality Standard.

A wide range of advice, guidance and other practical support is available from line managers, the human resources team, occupational health team, education team and also the staff experience lead, holding the role of workforce equality lead.

The Trust holds the Disability Confident award, reflecting the Trust's real and practical commitment to best practice, including a guaranteed interview, in the recruitment of people with disability.

The Trust considers reasonable adjustments when a suitable applicant has a disability which may affect their ability to carry out the duties of their new role. This activity is also available for members of staff with disability. The Trust works closely with the individual to identify and make reasonable adjustments to overcome the effects of the disability. The Trust also works with other agencies, including Access to Work, to ensure the carrying out of this commitment. In a rare circumstance where a member of staff may no longer be able to carry out their role due to the effects of disability after the process of considering reasonable adjustments has been carried out, the Trust works to retain the talent of the member of staff by supporting the consideration of other potentially suitable roles in the Trust, offering appropriate training and development.

The Trust's practice in training and developing all staff takes account of any needs of individuals which arise from disability, to ensure fair access to Trust programmes and the development of all staff.

5.4 Occupational Health and Employee Assistance Provider (EAP)

The Trust's occupational health provision in 2020 has continued through a service level contract with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust. This agreement is monitored at the Trust's Workforce and OD Committee to ensure requirements are consistently met and any concerns are robustly addressed.

The service is staffed by a team of registered nurses, all with occupational health experience and a team of administrative staff. Medical expertise is provided by occupational health physicians. Amongst the services offered by occupational health are pre-employment screening, individual casework such as return to work assessments and management referrals, support for 'needlestick' (hypodermic needle) injuries, workplace assessments, Control of Substances Hazardous to Health (COSHH)

assessments and surveillance. Occupational Health team members play an active role in the Trust's annual flu campaign.

Support to staff is provided through the Trust's independent employee assistance provider (EAP). The service provides staff with free, 24/7 access to a wide range of expert support and guidance. This includes a confidential counselling service, with face-to-face counselling as standard, and telephone advice and information on a wider variety of issues including debt management, legal support and family issues. Online and app services support the aim for wider access to the EAP and staff can access the enhanced website on health, work and home issues. Additional psychological support has been provided to staff throughout the Covid-19 pandemic.

Provision of Information to employees on matters of concern

The Trust has a communication strategy to ensure that all staff have access to information through a number of different communication channels. These include staff and team briefings, the staff bulletin and use of the intranet to publish news updates, policies and other information of relevance and interest to staff.

The Trust has a Staff Partnership Forum and Local Negotiating Committee whose membership includes staff representatives, local and regional trade union representatives and working in partnership, matters of concern can be raised and addressed.

Freedom to speak up guardian

The Trust has a 'Freedom to speak up guardian' whose role is to support and encourage staff across Poole and RBCH to 'speak up' if they have concerns about safety, quality and issues that have Trust wide impact. This role is supported by Freedom to Speak Up Ambassadors who represent a wide variety of staff groups. Speaking up is vital to continue to improve the services that the Trust delivers to patients and the working environment for staff.

5.5 Breakdown of Staff and Directors by Gender (1 April – 30 September 2020)

Type	F	M	Total
Executive Director	2	1	**3**
Non-Executive Director	1	5	**6**
Total	**3**	**6**	**9**

Senior Managers (>=Band 8A)	F	M	Total
Add Prof Scientific and Technic	21	8	29
Additional Clinical Services	1	1	2
Administrative and Clerical	27	28	55
Allied Health Professionals	21	4	25
Healthcare Scientists	8	15	23
Nursing and Midwifery Registered	53	12	65
Grand Total	**131**	**68**	**199**

Other Employees	F	M	Total
Add Prof Scientific and Technic	149	73	222
Additional Clinical Services	1167	194	1361
Administrative and Clerical	739	105	844
Allied Health Professionals	291	64	355
Estates and Ancillary	62	163	225
Healthcare Scientists	43	24	67
Medical and Dental	367	391	758
Nursing and Midwifery Registered	1315	105	1420
Students	27	1	28
Grand Total	4160	1120	5280

5.6 Staff Sickness

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Rolling YTD (Apr-Sep 2020)
Poole Hospital	5.80%	4.31%	3.57%	3.48%	3.54%	3.85%	**4.01%**

The Trust's out-turn for the period 01.04.2020 to 30.09.2020 was 4.01% (4.00% for the full year in 2019-20). During this period the Trust experienced the influence of Covid-19 on staff absences.

5.7 Analysis of staff costs and average staff numbers

Employee Expenses

	Group	Foundation Trust	Group	Foundation
	6 months ended 30 Sept 2020 Total	6 months ended 30 Sept 2020 Total	Year ended 31 March 2020 Total	Year ended 31 March 2020 Total
	£000	£000	£000	£000
Salaries and wages	79,367	**79,367**	146,424	146,424
Social Security Costs	7,554	**7,554**	14,061	14,061
Apprenticeship levy	384	**384**	718	718
Employer contributions to NHS Pension Scheme	9,541	**9,541**	17,676	17,676
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	0	**0**	7,714	7,714
Termination Payments	14	**14**	0	0
Agency/Contract Staff	3,856	**3,856**	11,080	11,080
NHS Charitable funds staff	0	**0**	0	0
	100,716	**100,716**	197,673	197,673

Average Number of Employees (Note 1)	Group	Foundation Trust	Group	Foundation Trust
	6 months ended 30 Sept 2020 Total Number	6 months ended 30 Sept 2020 Total Number	Year ended 31 March 2020 Total Number	Year ended 31 March 2020 Total Number
Medical and dental	**531**	**531**	507	507
Administration and estates	**666**	**666**	679	679
Healthcare assistants and other support staff	**184**	**184**	172	172
Nursing, midwifery and health visiting staff	**1,899**	**1,899**	1,911	1,911
Scientific, therapeutic and technical staff	**372**	**372**	354	354
Healthcare Scientists	**29**	**29**	26	26
Other	**378**	**378**	365	365
Total	**4,059**	**4,059**	4,014	4,014

of which 3,513 are permanent staff and 501 are other staff

Note 1. Average number of employees includes bank and agency staff numbers which are estimated based on the average equivalent cost of similar NHS staff positions. All staff numbers relate to the Foundation Trust. All staff working for the NHS Charity have contracts of employment with the Foundation Trust.

Employee Benefits

No additional benefits were paid to staff in the financial periods.

Retirements due to ill-health

During year ended 31 March 2020 there were nil (2019/20 three) early retirements on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £nilk (2019/20 £159k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. This information has been supplied by NHS Pensions.

5.8 Exit packages

Staff Exit Packages (Group and Foundation Trust - see Notes a)

	6 months ended 30 Sept 2020								Year ended 31 March 2020	
Exit package cost band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies £000**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed £000**	**Total Number of Exit Packages**	**Total Cost of Exit Packages £000**	**Number of departures where special payments have been made**	**Cost of special payment element included in Exit Packages £000**	Total Number	Total Cost (see Note a) £000
Less than £10,000	0	0	5	13	**5**	**13**	0	0	18	58
Between £10,000 and £25,000	1	14	0	0	**1**	**14**	0	0	2	35
Between £25,001 and £50,000	0	0	0	0	**0**	**0**	0	0	0	0
Between £50,001 and £100,000	0	0	2	142	**2**	**142**	0	0	0	0
Between £150,001 and £200,000	0	0	0	0	**0**	**0**	0	0	0	0
Total	**1**	**14**	**7**	**155**	**8**	**169**	**0**	**0**	**20**	**93**

Note a. - All Charity staff have contracts of employment with the Foundation Trust. There were no exit packages in the Charity Account and all the figures above relate to the Foundation Trust.

5.9 Staff policies and actions applied

Staff Policies and actions applied

The Trust has a programme for reviewing and consulting on changes to staff policies prior to approval with local staff side committees. All agreed policies and any other information for staff are subject to an equalities impact assessment and are available on the Trust's intranet. The Trust regularly monitors workforce KPI's at a number of workforce committees to ensure that staff with disabilities or those from other protected characteristics are not disproportionately involved in formal processes.

Reporting on Time off for Trade Union Facility Time

Table 1

Total number of Trust employees who were relevant union officials during the relevant period (1 April 2020 to 30 September 2020)

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
13	10.02 wte

Table 2

Percentage of time spent on facility time for each relevant union representative

Number of Trust employees who were relevant union officials employed during the relevant period

Percentage of time	*Number of employees*
0%	1
1-50%	11
51% - 99%	1
100%	0

Table 3

Percentage of pay bill spent on facility time

Figures and the percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period (2019/20).

Column 1	*Figures*
Total cost of facility time	£35,722
Trust total pay bill	£100,702,000
Percentage of the total pay bill spent on facility time is calculated as: (total cost of facility time ÷ total pay bill) x 100	0.35%

Table 4

Paid trade union activities

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

Column 1	*Figures*
Time spent on paid trade union activities as a percentage of total paid facility time hours is calculated as: *(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100*	9.29%

Counter Fraud

The Trust has a well-established relationship with the local counter fraud team and the work of the Counter Fraud team is actively promoted through Trust procedures and communications with staff.

5.10 Expenditure on consultancy

During the period the Trust reported total consultancy expenditure of £239,574 (£1,143,045 for previous period).

5.11 Off payroll adjustments

Nil

6. THE DISCLOSURES SET OUT IN THE NHS FOUNDATION TRUST CODE OF GOVERNANCE

Better Payment Practice Code

The Better Payment Practice Code requires that the Trust pay all NHS and non-NHS trade payables within 30 calendar days of receipt of goods or a valid invoice (whichever is later), unless other payment terms have been agreed. Compliance with the code is that at least 95% of invoices paid are within thirty days or within agreed contract terms. The table below summarises compliance for the six months ended 30 September 2020.

No statutory interest was payable by the Trust in 2020/21 in respect of late payments. Income from the provision of health services is greater than income from other sources.

Better Payment Practice Code	**Actual 30/09/2020 YTD Number**	**Actual 30/09/2020 YTD £'000**
Non-NHS Invoices		
Total bills paid in the year	**35,498**	**73,186**
Total bills paid within target	**33,111**	**67,707**
Percentage of bills paid within target	**93.3%**	**92.5%**
NHS Invoices		
Total bills paid in the year	**1,333**	**5,625**
Total bills paid within target	**1,153**	**4,813**
Percentage of bills paid within target	**86.5%**	**85.6%**
Total		
Total bills paid in the year	**36,831**	**78,811**
Total bills paid within target	**34,264**	**72,520**
Percentage of bills paid within target	**93.0%**	**92.0%**

7. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

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 Poole Hospital 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 Poole Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

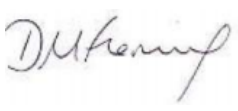
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy; and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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



Debbie Fleming, Joint Chief Executive

Date: 28 April 2021

9. Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Poole Hospital 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 Poole Hospital NHS Foundation Trust for the period 1 April 2020 – 30 September 2020.

Capacity to handle risk

The Trust recognises that positive and managed risk-taking is essential for growth, development and innovation. 'Risk' should never be set as a barrier to change and improvement; instead risks should be recognised, considered and managed effectively as part of the continual improvement process.

The management of risk is led by the Board of Directors (BoD) and overseen by the key board assurance committee; Quality, Safety and Performance Committee which is chaired by a Non-Executive Director.

The Trust has during 1 April 2020 – 30 September 2020 continued to develop and enhance its governance and risk management systems and processes recognising the changing and challenging environment in which it operates. The identification and appropriate management of risk forms an integral part of the Trust`s overall approach to integrated governance to ensure a risk awareness culture in which all risks are identified, assessed, understood and proactively managed. This promotes a way of working that ensures risk management is embedded in the culture of the organisation and remains an integral part of the Trust's objectives, plans, practices and management systems.

The Board recognises that there is a need for robust systems and processes to support continuous improvement, enabling staff to integrate risk management into their daily activities wherever possible and support better decision making through a good understanding of risks and their likely impact on patient and staff safety.

The success of any risk management plan is dependent on the defined and demonstrated support and leadership provided by the Board as a whole. The BoD has endorsed the Trust's risk management strategy in order to support the delivery of its strategic objectives through ensuring a robust risk management infrastructure is in place. This robust framework includes continued development of the Board Assurance Framework (BAF) closely aligned with the Trust's risk register.

The risk management structure is based on committees and groups which have key roles in the management of risk. This provides the assurance required by the Board that all areas of risk are being adequately managed, monitored and developed. The Audit and Governance Committee receives regular reports with regard to the risk register process including; all new significant risks added to the risk register alternate months, annual risk register report with a 6 month update mid-year, draft annual governance statement, and Internal and External audit reports and audit view.

The Trust empowers all staff to engage in risk management. An electronic risk management system; DATIX, allows for local risk ownership within Divisions, and aggregated risk management at Care Group level. Staff are guided in articulating risk through policy, toolkits, documentation, and training. Staff are encouraged to describe risks in terms of cause and effect and identify appropriate controls.

Where these controls fall short, action planning is required to achieve target risk scores. These actions include ownership and timescales for delivery. Staff are required to attribute inherent, current, and target risk scorings to allow the Trust to prioritise risk.

Training on risk processes and risk management is provided for service managers, Heads of department, Matrons, Ward leaders by the Risk Management Department
The risk management process is led by the Director of Nursing, and supported by Executive Directors, Clinical Directors, Deputy Director of Nursing, Head of Quality Governance, General Managers, Heads of Nursing and Quality, Matrons and Department Leads.

Learning following a patient safety incident, mortality review, claim, inquest or complaint is extremely important part of the Trust risk and governance framework. Sharing learning from incidents is completed through a variety of mechanisms including; a safety newsletter, learning panel reports, dissemination at key meetings, team briefings, directorate and team performance review meetings, action plans, patient stories at Board meetings and review of significant complaints at senior Trust meetings. Serious incident learning panel reviews are regularly held with learning and outcomes shared with staff. Scrutiny from our Clinical Commissioning Group (CCG) ensures we maintain a high standard of investigation.

The risk and control framework

Risk management strategy

The Trust Risk Management Strategy sets out the leadership, responsibility, risk appetite and accountability arrangements for risk management. This Risk Management Strategy is underpinned by a suite of policies and procedures guiding staff on the day to day delivery of effective risk management processes.

Risk appetite is defined as “the amount of risk at board level that an organisation is willing to take on in order to meet strategic objectives” (2016: Institute of Risk Management). It is the level at which the Trust Board determines whether an individual risk, or a specific category of risks are considered acceptable or unacceptable based upon the circumstances/situation facing the Trust.

Healthcare commissioners and providers in Dorset have developed a Pan Dorset Risk Management Framework. This includes a standard matrix for measuring the likelihood ad consequence of a risk and determining the level of risk that can be accepted at the key management levels within the organisation. The Trust Risk Management Strategy reflects the agreed pan Dorset alignment of risk and governance processes. A risk assessment template is used to collate the risks, controls, mitigations and associated risk ratings. The process of risk assessment is outlined in the risk assessment toolkit available to staff on the Trust intranet. The Risk Management Department provide support to staff on completion and review of risk assessments to ensure quality and accuracy of assessments.

The management of risk, locally and centrally, is underpinned by a detailed risk management cycle of risk identification, assessment, mitigation, monitoring and review. Risk management is integrated into business planning, quality improvement, education and training, performance reviews and annual audit plans. Risks (corporate, clinical and information governance) and action plans to mitigate risk are discussed at the monthly Clinical Care Group and Clinical Directorate performance meetings. Quarterly performance reviews (involving clinical and corporate directorates) are led by the Executive Directors and focus on performance highlights and challenges.

Risk Management Groups are in place within each Care Group and these meet regularly to discuss incidents that have occurred and agree actions to be taken and consider any trends or issues for escalation and/or dissemination. Care Group and Directorate leads are responsible for maintaining directorate risk registers and for bringing any high-risk issues to the attention of the Quality Governance Group and the Quality, Safety and Performance Committee. Any risks that cannot be managed at a local level and have the potential to affect the whole of the Trust, and/or have a risk rating of 15 and above are reported to the Quality, Safety and Performance Committee and the Board of Directors.

The Board Assurance Framework (BAF) is a key mechanism to reinforce the strategic focus of the Board and better manage risk. It is used to help the organisation capture, report and monitor key risks to the strategic objectives, implement corrective action and report to the Board on progress. It is designed to provide assurance that the organisation is delivering on its objectives, supporting the management of the potential and actual risks. The BAF also helps the organisation to assess the

controls it has in place to mitigate the risks and review the assurances to check the controls are effective.

The BAF and related strategic risks are managed and monitored by the Finance and Investment Committee (financial risks); the Quality, Safety and Performance Committee (quality, safety and performance risks), and the Workforce and Organisational Development Committee (workforce risks).

Any significant risks relating to gaps in assurance on the BAF are scrutinised regularly by the responsible board key subcommittee and twice yearly by the Board of Directors.

Key risks

The most significant risk facing the NHS and the Trust currently and in the future is the impact of covid-19. It is clearly recognised that the standard ways in which the NHS operates have significantly changed as we all try to manage the impact of COVID-19 19 on the country and on the National Health Service. Normal business has been disrupted and new clinical pathways, policies and procedures have been introduced during the pandemic. We continue to adapt these on a daily basis in line with national, professional and local guidance to ensure staff and patient safety and maintain high standards of patient care. The Trust has identified the impact of Covid-19 as the highest risk on the Trust risk register and has developed detailed risk assessments to support this overarching risk. The risk register has clearly identified risks to current performance measures such as cancer access times and referral to treatment targets. Additional risks such as the availability of essential equipment, medications, staffing and skill mix are also identified as both current and future risks. In addition, we recognise that the pandemic has had, and will continue to have, a significant impact on our staff and we have put in place a raft of measures to support staff well-being including emotional, physical and psychological support,

There is also a recognised risk around the ability to maintain and develop the Trust IT services in line with clinical and operational requirements. With the rapid increase in new technology and clinical systems reliant on a robust IT infrastructure there is a challenge to ensure sufficient resourcing to enable IT staff and infrastructure to keep pace with advances and increased demand. This IT work programme is overseen by the Director of Informatics.

These risks have been notified to the Board and all are closely monitored via the Board sub committees and have associated programmes of work.

Workforce risks

As an integrated care system, we know that our biggest challenge is workforce. It is no longer limited to one particular service, organisation or profession and the knock-on effects within one area are felt across nearly all pathways of care. The demand for medical and some clinical, and support staff outstrips traditional supply routes leading to vacancies, unsustainable rotas and agency staff expenditure and difficulties in meeting national quality standards. Integrated workforce planning and redesign is the only way that Dorset will be able to sustain the workforce that it requires to deliver new health and care models, now and in the future.

In recognition, an operating model for system wide workforce development has been established, with a clear mandate from the System Leadership Team to work with, and alongside, their organisations to deliver and drive workforce solutions. This model provides a delivery vehicle to tackle and respond to workforce issues at a system level, recognising and complimenting what is done at an organisational level, supporting Dorset to retain, attract, recruit and develop its workforce.

The East Dorset acute hospital reconfiguration component of the Dorset Clinical Services Review and the merger of Poole Hospital NHS Foundation Trust and The Royal Bournemouth & Christchurch Hospitals NHS Foundation Trusts (the Trusts) represents a very significant change programme, with workforce and operational continuity challenges extending over the next 5-6 years.

The Trusts are committed to doing all they can to ensure that our combined workforce understand what this means for them and are engaged and supported to meet the opportunities and challenges ahead. We are proud of our staff and the excellent services they provide, and we know that our staff feel passionately about this and do all they can on a daily basis to get it right. As we go forward into a new and different future, we will support all to develop all that is best about Poole and Bournemouth to contribute to the delivery of new service models across east Dorset.

A new joint People Strategy was agreed by the Board of Directors of Poole Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust in December 2019. The strategy supports the merger programme and will ensure our new combined Trust has the workforce it needs to deliver its strategic goals and provides staff with a great place to work. The strategy is underpinned by the principles of the interim NHS People Plan, NHS Long Term Plan, and the CQC Well led domain. It sets out how we will unite our workforce behind our vision within Dorset and drive the provision of the necessary support and development needed to continue to deliver the highest possible standards of care in an environment of high demand and significant change.
The strategy describes five key action themes which, through merger and service integration, will enable appropriate support and care for our people while strengthening our organisational capabilities.

Actions and initiatives are in place to support these five key themes and progress against the Strategy is reported and monitored by the Workforce & Organisational Development Group on a monthly basis.

Information governance

In line with NHS England/Improvement's guidance, risks to data security are managed and controlled through the Information Governance management structures and responsibilities established by the Trust's Information Governance Strategy and a range of the policies and procedures relating to Information Governance. These form part of the Trust's integrated governance approach to the management and monitoring of corporate and clinical governance, risk management and clinical effectiveness.

NHS Digital's Data Security and Protection (DSP) Toolkit is used to assess how well the Trust complies with the relevant legal and regulatory requirements and guidance relating to information governance. The DSP Toolkit sets the standard for cyber and data security for healthcare organisations and places a much greater focus on assuring against modern threats. Based around the National Data Guardian's 10 Data Security Standards, the DSP Toolkit is divided into three categories of leadership obligations: People, Process and Technology. The DSP Toolkit places less emphasis on the provision of documentary evidence than previous assessments, and instead sets out the standards that organisations are required to meet with an expectation that this will be an ongoing journey towards compliance.

Owing to the Covid-19 pandemic, NHS Digital permitted organisations a 6-month extension to achieve compliance with the 2019/20 DSP Toolkit by 30th September 2020. The Trust was able to meet the requirements prior to that date and submit a compliant DSP Toolkit in early September. The overall score for 2019/20 was 100% on mandatory requirements and was graded as "Standards Met". As a consequence, the DSP Toolkit for 2020/21 was also delayed, and is due for release at the end of the calendar year.

The Trust has an Information Risk and Security policy that relates to all Trust information activities. It addresses data security and processes for protecting all Trust data, by providing a consistent risk management framework in which information risks are identified, considered and addressed. Any incident involving the actual or potential loss of personal or sensitive corporate information that could lead to identity fraud or has other significant impact on individuals is considered to be serious and would be required to be reported to the Information Commissioner's Office and NHS Digital. No incidents of this nature have been reported during 2019/2020.

During 1 April 20 – 30 September 2020, there have not been any cases of serious data losses/breach recorded, and therefore no requirement to report any incidents to the Information Commissioner's Office (ICO) or NHS digital.

Other regulation

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust received an overall rating of good in its inspection visit completed in October and November 2019; this included an overall rating of outstanding for the Care domain. The Trust underwent a well led review following NHS Improvement's Well Led Review Framework in November 2019. The CQC commented there was strong, consistent, visible leadership, the vision and strategy for the Trust was clear and there was a great culture in the Trust and among the staff across all areas. The Trust was not inspected during 1 April 20 – 30 September 2020.

The Foundation Trust has published an up to date register of interests for decision making staff within the past 12 months, as required by the 'Managing conflicts of interest in the NHS' guidance as follows:

- Board of Directors Register of Interests;
- Council of Governors Register of Interests;
- A Register of Interests for Board Sub-committee attendees;
- A Register of Interests for decision making staff not included in the above.

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

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

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP 18). The Trust ensures that its obligations under the Climate Change Act and the Adaption Reporting requirements are complied with.

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

The Trust employs a number of internal mechanisms and external agencies to ensure the best use of resources.

Executive Directors and Managers have responsibility for the effective management and deployment of their staff and other resources to maximise the efficiency of their Clinical Care Groups and Corporate Directorates.

A Non-Executive Director chairs the Audit and Governance Committee at which representatives of the internal and external auditors attend. The committee reviewed and agreed the audit plans of both the internal and external auditors. The plans specifically include economy, efficiency and effectiveness reviews which have been reported on. A Non-Executive Director also chairs the Finance and Investment Committee which reviews the Trust's finance plans and performance and the Workforce and Organisational Development Committee is also chaired by a non-executive director. The Board of Directors receives both performance and financial reports at each of its meetings and receives reports of its sub committees to which it has delegated powers and responsibilities.

The Trust also has a significant transformation programme to ensure the Trust maximises the use of all available resources and identifies and manages a number of cost improvement programmes to ensure that scarce resources are used in the most effective manner. As part of this process, the Trust is fully engaged with the productivity and efficiency work streams arising from the Model Hospital.

A benefits realisation process is in place to review all investment decisions to ensure that resources are utilised effectively for the intended purpose. All investment decisions are reviewed on a monthly basis prior to approval to ensure value for money.

The Trust received a rating of 'good' for use of resources in NHS Improvement's assessment in September 2019.

Data quality and governance

The directors were not required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Account for the financial year 2019/2020. However, in keeping with previous years an annual Quality Report 2019/20 was produced and presented to the Board of Directors for approval.
The production of the Annual Quality Report is overseen by the Director of Nursing and Midwifery and co-ordinated by the Associate Director of Quality and Risk. This team leads on all regulatory quality assessments for the Trust and is experienced in this type of work. To ensure a balanced approach and data accuracy, input to the report was obtained from a wide range of sources within the organisation through the Trust governance infrastructure.

The production processes have mirrored those used for all quality assessments and aspects of these have been regularly checked and validated thought the year as part of routine governance processes. Data management largely handled by the Trust's Information Department, Risk

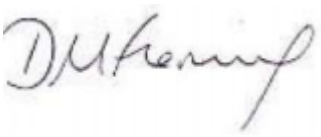
Management Department and the Clinical Audit Department, all of which are subject to internal and external quality checking and control.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, risk/ clinical governance committee/ quality, safety and performance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

Based upon available Department of Health guidance, and the Trust's internal and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time.



Mrs Debbie Fleming
Joint Chief Executive

28 April 2021

SECTION C: ANNUAL ACCOUNTS

Independent auditor's report

to the Council of Governors of University Hospitals Dorset NHS Foundation Trust, on behalf of Poole Hospital NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Poole Hospital NHS Foundation Trust ("the Trust") for the period ended 30 September 2020 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group's and the Trust's affairs as at 30 September 2020 and of the Group's and Trust's income and expenditure for the period then ended; and

— the Group's and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview	
Materiality: Group financial statements as a whole	£3m (2019-20: £5.6m) 2% (2019/20: 2%) of total operating income
Coverage	100% (2019/20: 100%) of total operating income

Risks of material misstatement		**vs 20219/20**
Recurring risks	Valuation of land and buildings	▲
	Recognition of NHS and non-NHS Income	◄►
	Recognition of Non-Pay Expenditure	◄►

Key	
◄►	Risk level unchanged from prior year
▲	Increased risk in the period

Emphasis of matter- going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that whilst the trust was dissolved on 1 October 2020 as part of the merger with Royal Bournemouth and Christchurch NHS Foundation Trust, the financial statements of the Trust have been prepared on a going concern basis because its services are continuing to be provided by the successor foundation trust (University Hospitals Dorset NHS Foundation Trust).

Our opinion is not modified in respect of this matter.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2019-20 in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters. All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
Land and Buildings *(£100.6m ; 2019/20: £111.5m)* *Refer to note 1 of the financial statements (accounting policies) and note 8 of the financial statement (financial disclosures)*	**Subjective valuation** Land and buildings are required to be held at current value in existing use. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'. 92.3% of the Group's land and buildings are deemed specialised as at 30 September 2020. When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. A valuation is completed by an external expert, engaged by the Trust using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. The Trust had a full valuation undertaken by an external valuer as at 30 September 2020. Valuations are inherently judgemental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, were appropriate and correctly applied. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	Our procedures included: — **Assessing valuer's credentials:** We considered the scope, qualifications and experience of the valuer, to identify whether the valuer was appropriately experienced and qualified to provide relevant indices;Test of details: We undertook the following tests of details: — **Methodology choice:** We considered the overall methodology of the external valuation performed to identify whether the approach was in line with industry practice, assisted by our Estate Valuation specialist; — **Benchmarking assumptions:** We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms and utilising our Estate Valuation specialist; — **Test of details:** We undertook the following tests of details: – We tested the completeness of the estate covered by the valuation to the Trust's underlying estate records, including additions to land and buildings during the period; – We re-performed the calculation of gain or loss on revaluation for all applicable assets and checked whether the accounting entries were consistent with the DHSC Group Accounting Manual; and — For a sample of assets added during the period we agreed that an appropriate valuation basis had been adopted when they became operational and that the Trust would receive future benefits. — **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the valuations disclosure, including the group's disclosures of the sensitivity of the valuation. — **Our results:** From the evidence obtained, we considered the valuation of land and buildings and related disclosure to be acceptable.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of NHS and non-NHS income *(£151.5m ; 2019/20: £293m)* *Refer to note 1 of the financial statements (accounting policies) and note 2 of the financial statement (financial disclosures)*	**Effects of Irregularities** Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. We recognise that the incentives in the NHS differ significantly to those in the private sector which have driven the requirement to make a rebuttable presumption that this is a significant risk. These incentives in the NHS include the requirement to meet regulatory and financial targets. We have classified NHS and non-NHS income as a significant risk to respond to this requirement.	Our procedures included: **Control observations:** We tested the design and operation of process level controls over revenue recognition; **Test of details:** As a result of Covid-19 there were changes to the funding arrangements for the 2020-21 financial year. For April to September 2020 NHS providers were provided with additional funding to deliver a 'break even' position. We undertook the following tests of details: – We agreed £118.3 of commissioner income back to contracts and bank receipts; – We agreed £19.2m of COVID top up funding to bank receipts. – We tested a samples of £12m of remaining income to invoices and bank receipts. – £2m relates to notional income adjusted for the PPE stock recognized as a subsequent event. **Our findings** – The results of our testing were satisfactory and we considered the amount of NHS and non-NHS income recognised to be acceptable

	The risk	Our response
Recognition of non-pay expenditure *(£45.4m; 2019/20: £94.8m)* *Refer to note 1 of the financial statements (accounting policies) and note 3 of the financial statement (financial disclosures)*	**Effects of Irregularities:** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay expenditure at the period-end. There may therefore be an incentive to defer non-pay expenditure or recognise commitments at a reduced value in order to achieve financial targets.	Our procedures included: **Control observations:** We tested the design and operation of process level controls over expenditure approval; **Test of details:** We undertook the following tests of details: — We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; — We inspected invoices for material expenditure in the month prior to 30 September 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance. **Our results:** — The results of our testing were satisfactory and we considered the amount of non-pay expenditure recognised to be acceptable.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £3 million (2019-20: £5.6Y million), determined with reference to a benchmark of operating income (of which it represents approximately 2%) (2019-20: 2%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £3 million (2019-20: £5.5 million), determined with reference to a benchmark of operating income (of which it represents approximately 2%) (2019-20: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

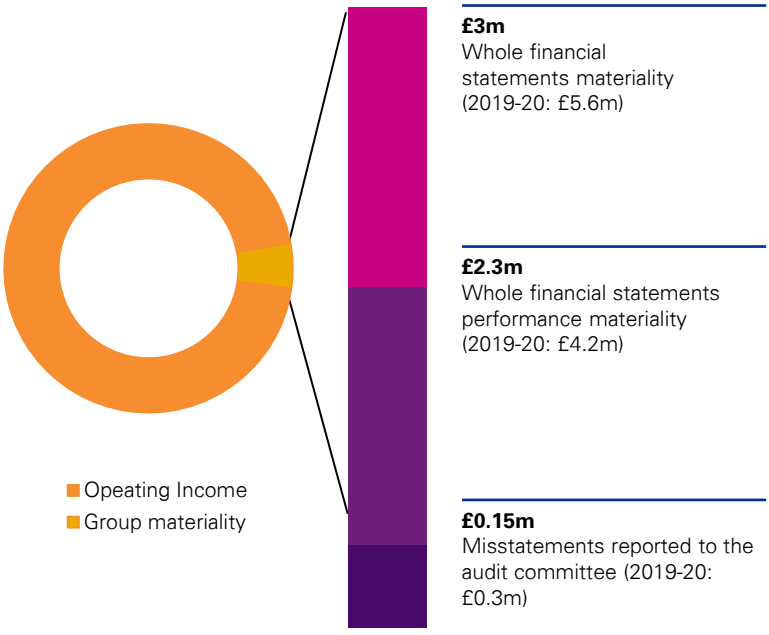
Performance materiality was set at 75% (2019-20: 75%) of materiality for the financial statements as a whole, which equates to £2.3 million (2019-20: £4.2 million) for the group and £ 2.3 (2019-20: £4.1 million) for the parent Trust We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.15 million (2019-20:(£0.30 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 2 (2019-20: 2) reporting components, we subjected 1 (2019-20: 1) to full scope audits for group purposes. We conducted reviews of financial information (including enquiry) at a further 1 (2019-20: 1] non-significant component which is a small charity of the trust.

Operating Income
£151.5m (2019-20: £293m)

Group Materiality
£3m (2019-20: £5.6m)



£3m
Whole financial statements materiality (2019-20: £5.6m)

£2.3m
Whole financial statements performance materiality (2019-20: £4.2m)

£0.15m
Misstatements reported to the audit committee (2019-20: £0.3m)

4. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of the need to achieve control totals delegated to the Group by NHS Improvement
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any usual or unexpected relationships.
- Reviewing the Group's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that additional funding was claimed inappropriately through the extra resources made available as a result of Covid-19 and the risk that Group and component management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 'Audit of Financial Statements of Public Sector Bodies in the United Kingdom' we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals and provisions.

We did not identify any additional fraud risks..

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unbalanced journals and journal entries made to unrelated accounts.
- Assessing significant estimates for bias.
- Assessed the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Ensuring the completeness of transactions during the period by performing the closing trial balance reconciliation/ mapping.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and management (as required by auditing standards), and discussed with the directors and management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the audit period is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020-21. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020-21.

7. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page F2, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

The financial statements of the Group and Trust are for the six month period ended 30 September 2020 and therefore, in line with the Code of Audit Practice, we are not required to report on the Group and Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

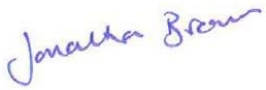
We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Poole NHS Foundation Trust for the six month period ended 30 September 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.



Jonathan Brown
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square,
Bristol, BS1 4BE
10 May 2021

FOREWORD TO THE ACCOUNTS

Poole Hospital NHS Foundation Trust

These accounts for the period ended 30 September 2020 for Poole Hospital NHS Foundation Trust (the "Foundation Trust") have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed ..... Chief Executive and Accounting Officer

Name: Debbie Fleming

Date: 28 April 2021

Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Poole Hospital 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 Poole Hospital 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 Poole Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- **observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;**
- **make judgements and estimates on a reasonable basis;**
- **state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements;**
- **ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance**
- **confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy; and**
- **prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.**

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

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

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

.....Signature

Debbie Fleming, Chief Executive

Date: 28 April 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 September 2020

	NOTE	Group (see Note a) 2020/21 to 30 September 2020 £000	Foundation Trust (see Note b) 2020/21 to 30 September 2020 £000	Group 2019/20 to 31 March 2020 £000	Foundation Trust 2019/20 to 31 March 2020 £000
Operating income	2	**151,539**	**151,575**	293,816	293,913
Operating expenses	3	**(162,897)**	**(162,851)**	(293,268)	(292,653)
OPERATING (DEFICIT)/SURPLUS		**(11,358)**	**(11,276)**	**548**	**1,260**
Finance Costs					
Finance income	5	**27**	**0**	150	97
Finance expense	6	**(145)**	**(145)**	(600)	(600)
Public Dividend Capital dividends payable		**(1,475)**	**(1,475)**	(2,863)	(2,863)
Net Finance Costs		**(1,593)**	**(1,620)**	**(3,313)**	**(3,366)**
Gains on disposal of assets		**78**	**78**	**111**	**111**
DEFICIT FOR THE YEAR (See Note b below)		**(12,873)**	**(12,818)**	**(2,654)**	**(1,995)**
Other comprehensive income					
Revaluations to revaluation reserve (Note c.)		**2,905**	**2,938**	319	311
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		**(9,968)**	**(9,880)**	**(2,335)**	**(1,684)**

Note a. Group figures include Poole Hospital NHSFT Charitable Fund (registered charity number 1058808).

Note b. 2020/21 Control Total	Foundation Trust **2020/21 £000**	Foundation Trust 2019/20 £000
Deficit for the year (above)	**(12,818)**	(1,995)
Add back impairment	**12,621**	2,029
Less donated capital/fixed asset disposal adjustment	**197**	511
Control total surplus/(deficit) including PSF, FRF, MRET and Top-up	**(0)**	545
Less PSF, FRF, MRET and Top-up received	**(19,252)**	(18,105)
Control total deficit	**(19,252)**	(17,560)
Agreed control total deficit	**(19,252)**	(17,742)
Performance against control total	**(0)**	182

Note c. The revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer as at 30 September 2020.

The accompanying notes form an integral part of these financial statements.

All income and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 30 September 2020

	NOTE	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
NON CURRENT ASSETS					
Intangible assets	7	**1,406**	**1,406**	1,618	1,618
Property, plant and equipment	8	**145,480**	**145,312**	151,076	150,871
Trade and other receivables	11	**1,561**	**1,561**	1,916	1,916
		148,447	**148,279**	**154,610**	**154,405**
CURRENT ASSETS					
Inventories	10	**2,745**	**2,745**	2,809	2,809
Trade and other receivables	11	**9,744**	**9,510**	22,482	22,010
Cash and cash equivalents	16	**39,496**	**30,108**	16,424	7,073
TOTAL CURRENT ASSETS		**51,985**	**42,363**	**41,715**	**31,892**
CURRENT LIABILITIES					
Trade and other payables	12	**(45,396)**	**(45,383)**	(34,010)	(33,848)
Other liabilities	12	**(549)**	**(549)**	(549)	(549)
Borrowings	13	**(2,197)**	**(2,197)**	(26,865)	(26,865)
Provisions	15	**(205)**	**(205)**	(141)	(141)
TOTAL CURRENT LIABILITIES		**(48,347)**	**(48,334)**	**(61,565)**	**(61,403)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**152,085**	**142,308**	**134,760**	**124,894**
NON CURRENT LIABILITIES					
Borrowings	13	**(11,137)**	**(11,137)**	(12,198)	(12,198)
Provisions	15	**(2,004)**	**(2,004)**	(2,046)	(2,046)
TOTAL NON CURRENT LIABILITIES		**(13,141)**	**(13,141)**	(14,244)	(14,244)
TOTAL ASSETS EMPLOYED		**138,944**	**129,167**	**120,516**	**110,650**
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital		**126,581**	**126,581**	98,185	98,185
Revaluation reserve		**25,842**	**25,842**	23,244	23,244
Income and expenditure reserve		**(23,256)**	**(23,256)**	(10,779)	(10,779)
Charitable Funds reserves		**9,777**	**0**	9,866	0
TOTAL TAXPAYERS' EQUITY		**138,944**	**129,167**	**120,516**	**110,650**

The financial statements on pages 1 to 40 were approved and authorised for issue by the Board on 28 April 2021 and signed on its behalf by:

Signed: ……Chief Executive **Date: 28 April 2021**

Name: Debbie Fleming

Signed: ……Director of Finance **Date: 28 April 2021**

Name: Pete Papworth

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (GROUP)

	Public dividend capital (PDC)	Revaluation reserve	Income and Expenditure Reserve	Charitable Fund Reserves	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2020	**98,185**	**23,244**	**(10,779)**	**9,866**	**120,516**
Changes in taxpayers' equity for 2020/21					
Retained surplus/(deficit) for the year	**0**	**0**	(13,320)	447	**(12,873)**
Public Dividend Capital received	28,396	0	0	0	**28,396**
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.1 and 8.2)	0	2,938	0	0	2,938
Revaluations and impairments- charitable funds	0	0	0	(35)	(35)
Transfers between Reserves	0	(341)	341	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	502	(502)	0
Other reserve movements	0	1	0	1	2
Balance at 30 September 2020	**126,581**	**25,842**	**(23,256)**	**9,777**	**138,944**
Balance at 1 April 2019	**95,004**	**23,578**	**(9,429)**	**10,517**	**119,670**
Changes in taxpayers' equity for 2019/20					
Retained surplus/(deficit) for the year	0	0	(3,297)	643	(2,654)
Public Dividend Capital received	3,181	0	0	0	3,181
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.3 and 8.4)	0	311	0	0	311
Revaluations and impairments- charitable funds	0	0	0	8	8
Transfers between Reserves	0	(645)	645	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	1,302	(1,302)	0
Other reserve movements	0	0	0	0	0
Balance at 31 March 2020	**98,185**	**23,244**	**(10,779)**	**9,866**	**120,516**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (FOUNDATION TRUST)

	Public dividend capital (PDC)	Revaluation reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2020	**98,185**	**23,244**	**(10,779)**	**110,650**
Changes in taxpayers' equity for 2020/21				
Retained surplus/(deficit) for the period	0	0	(12,818)	(12,818)
Public Dividend Capital received	28,396	0	0	28,396
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.5 and 8.6)	0	2,938	0	2,938
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(341)	341	0
Other Reserve movements	0	1	0	1
Balance at 30 September 2020	**126,581**	**25,842**	**(23,256)**	**129,167**
Balance at 1 April 2019	**95,004**	**23,578**	**(9,429)**	**109,153**
Changes in taxpayers' equity for 2019/20				
Retained surplus for the year	0	0	(1,995)	(1,995)
Public Dividend Capital received	3,181	0	0	3,181
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.7 and 8.8)	0	311	0	311
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(645)	645	0
Other Reserve movements	0	0	0	0
Balance at 31 March 2020	**98,185**	**23,244**	**(10,779)**	**110,650**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 September 2020

	Group 2020/21 to 30 September 2020 £000	Foundation Trust 2020/21 to 30 September 2020 £000	Group 2019/20 to 31 March 2020 £000	Foundation Trust 2019/20 to 31 March 2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating surplus/(deficit) from continuing operations	**(11,358)**	**(11,276)**	**548**	**1,260**
Non-cash income and expense:				
Depreciation and amortisation	4,052	4,050	7,423	7,419
Impairments	12,621	12,621	2,029	2,029
Decrease/(increase) in trade and other receivables	12,680	12,762	(5,262)	(5,430)
(Increase)/decrease in inventories	64	64	(630)	(630)
Increase/(decrease) in trade and other payables	12,129	12,129	3,439	2,789
Increase/(decrease) other liabilities	0	0	(294)	(294)
Increase/(decrease) in provisions	29	29	209	209
NHS Charitable Funds - net adjustment for working capital movements, non-cash transactions and non-operating cash flows	171	(187)	340	(270)
NHS charitable Funds: other movements in operating cash flows	28	0	53	0
Other movements in operating cash flows	3	3	0	(2)
Net cash generated from operations	**30,419**	**30,195**	**7,855**	**7,080**
Cash flows from investing activities				
Interest received	4	4	98	98
Purchase of property, plant and equipment	(9,942)	(9,942)	(17,969)	(17,969)
Purchase of intangible assets	0	0	(663)	(663)
Receipt of cash donations to purchase capital assets	1	188	0	270
Sales of property, plant and equipment	78	78	111	111
Net cash used in investing activities	**(9,859)**	**(9,672)**	**(18,423)**	**(18,153)**
Cash Flows from financing activities				
Public dividend capital received	28,396	28,396	3,181	3,181
Loans received from the Department of Health and Social Care	0	0	14,969	14,969
Other loans repaid	(148)	(148)	(297)	(297)
Loans repaid to the Department of Health and Social Care	(25,498)	(25,498)	(1,837)	(1,837)
Capital element of finance lease rental payments	(15)	(15)	(44)	(44)
Interest paid to Department of Health and Social Care on loans	(223)	(223)	(557)	(557)
Interest element of finance lease	0	0	(3)	(3)
PDC Dividend paid	0	0	(2,737)	(2,737)
Net cash used in financing activities	**2,512**	**2,512**	**12,675**	**12,675**
Increase in cash and cash equivalents	**23,072**	**23,035**	**2,107**	**1,602**
Cash and Cash equivalents at 1 April 2020 (1 April 2019)	**16,424**	**7,073**	**14,317**	**5,471**
Cash and Cash equivalents at 30 September 2020 (31 March 2020)	**39,496**	**30,108**	**16,424**	**7,073**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

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 2019/20 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, inventories and certain financial assets and financial liabilities.

Going Concern

These accounts have been prepared on a going concern basis.

International Accounting Standards (IAS1) require the directors to assess, as part of the accounts preparation process, the Foundation Trust's ability to continue as a going concern. In accordance with the NHS Foundation Trust Annual Reporting Manual paragraph 3.20, the accounts should be prepared on a going concern basis unless the directors either intend to apply to the Secretary of State for the dissolution of the Foundation Trust without the transfer of the services to another entity, or have no realistic alternative but to do so.

On 1 October 2020, Poole Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust merged their operations into a single Trust, University Hospitals Dorset NHS Foundation Trust. On the same day, Poole Hospital NHS Foundation Trust was dissolved. Whilst Poole Hospital NHS Foundation Trust is therefore not a going concern due to its dissolution as part of the merger, the financial statements of the Trust have been prepared on a going concern basis because its services are continuing to be provided by the successor foundation trust.

1.1 Consolidation

Poole Hospital NHS Foundation Trust Charitable Fund
The NHS Foundation Trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund (registered Charity Commission number 1058808). The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation 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 Foundation Trust's accounting policies; and

* eliminate intra-group transactions, balances, gains and losses.

The reserves of the Charity at 30 September 2020 amounted to £7,197k. For consolidation purposes grants amounting to £2,580k awarded by the Charity to the Foundation Trust but unspent at 30 September 2020 have been added back to the Charity reserves in the Group Accounts. The Charity reserves shown in the Group Accounts therefore amount to £9,777k.These funds are comprised of restricted funds of £659k and unrestricted funds of £6,508k. Restricted funds were donated for specified purposes for a ward or department and the Trustee may only use these funds for the specified purpose. Unrestricted funds may be used at the discretion of the Trustee for any purpose throughout the Hospital.

The reported reserves of the Charity at 31 March 2020 amounted to £6,988k. Consolidation adjustments amounted to £2,878k. The Charity reserves shown in the Group Accounts therefore amounted to £9,866k.

NOTES TO THE ACCOUNTS (continued)

1.2 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 main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time. Other income includes funding from the NHS South of England in respect of training and education for training posts (primarily junior doctors) and also recharges of clinical staff to local foundation trusts.

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.

NOTES TO THE ACCOUNTS (continued)

1.3 Expenditure on Employee Benefits
Short-term Employee Benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the Trust 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 Financial Reporting Manual (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 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 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% and the Scheme Regulations were amended accordingly.

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

NOTES TO THE ACCOUNTS (continued)

Pension costs continued

NHS Pension Scheme

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer and is fully provided for in the Accounts.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

The Trust paid £9,541k employer contributions to the NHS Pension Scheme in 2020/21 (2019/20 £16,676k).These figures excludes the 6.3% employer contribution in 2020/21 £4,203k (2019/20 £7,714k) funded centrally.

NOTES TO THE ACCOUNTS (continued)

1.4 Expenditure on other goods and services

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

1.5 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; and
- the cost of the item can be measured reliably.

Property, Plant and Equipment assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or

- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

- form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit irrespective of their individual or collective cost.

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

NOTES TO THE ACCOUNTS (continued)

1.5 Property, Plant and Equipment continued

Measurement

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. They are measured subsequently at valuation.

Non-current assets are stated at the lower of replacement cost and recoverable amount. The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from the financing of the construction of fixed assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

In accordance with International Accounting Standard 16, all land and buildings are professionally revalued regularly, so that the carrying amount of an asset does not differ materially from its fair value at the end of the reporting period.

Professional valuations are carried out by the Foundation Trust's appointed external Valuer. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

A full asset valuation (excluding Assets Under Construction/ Work In Progress) was undertaken as at 30 September 2020..

The valuations are carried out primarily on the basis of Modern Equivalent for specialised operational property and Existing Use Value for non-specialised operational property.

Of the £102.9m net book value of land and buildings (including dwellings) subject to valuation, £100.2m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets.

A 1% change in the valuation would have a £1.002m impact on the statement of financial position with a £35k impact on the PDC dividend due to be paid next year and accrued in these financial statements

The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

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.

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 derecognised. 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.

The estimated useful lives of assets are summarised below:

Buildings and dwellings	40-90 years
Plant & Machinery	5-15 years
Transport Equipment	1-7 years
Information Technology	5-10 years
Furniture & Fittings	1-10 years

Revaluation gains and losses

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

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

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

NOTES TO THE ACCOUNTS (continued)

1.5 Property, Plant and Equipment Continued

Impairments

In accordance with the FT GAM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (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 all of the following criteria 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 re-valued, 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, government grant and other grant funded assets

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

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

NOTES TO THE ACCOUNTS (continued)

1.6 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 when 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. Revaluation 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 (between five and ten years on a straight line basis) in a manner consistent with the consumption of economic or service delivery benefits.

1.7 Government grants
Government grants are grants from Government bodies other than income from clinical commissioning groups, specialist commissioners, NHS foundation trusts and NHS trusts for the provision of services. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

NOTES TO THE ACCOUNTS (continued)

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The material management stock system values the stock at latest invoice price. Pharmacy stock is valued at average price.

1.9 Financial assets and financial liabilities

Recognition

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

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

Classification and Measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets 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

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

NOTES TO THE ACCOUNTS (continued)

1.10 Leases

Finance leases

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

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

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

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Lease incentives are recognised initially in other liabilities on the statement of financial positionas a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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.

1.11 Provisions

The NHS Foundation 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 2020:

Nominal rate Short-term Up to 5 years 0.51% Medium-term After 5 years up to 10 years 0.55% 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 1.90% Year 2 2.00% Into perpetuity 2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury’s pension discount rate of minus 0.5% in real terms. .

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation 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 NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed at Note 15 but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation 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.

NOTES TO THE ACCOUNTS (continued)

1.12 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

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

1.13 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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation 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 NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated and grant funded assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loan Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.14 Value Added Tax

Most of the activities of the NHS Foundation 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.

1.15 Corporation Tax

The NHS Foundation Trust has carried out a review of corporation tax liability on its non-healthcare activities. At present all activities are either ancillary to the Trust's patient care activity or are below the de minimus level at which corporation tax is due.

1.16 Third party assets

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

1.17 Description of Reserves

Revaluation Reserve relates to revaluation gains on the estate following valuations by the appointed Trust Valuer.
Income and Expenditure Reserve relates to accumulated surpluses by the Foundation Trust.

1.18 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.

Losses and Special Payments are disclosed in Note 25 and relate mainly to the bad debts and NHS Resolution policy excesses on third party and employer's liability claims against the Trust.

1.19 Gifts

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

NOTES TO THE ACCOUNTS (continued)

1.20 Accounting Standards issued but not adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2020/21. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2021/22:

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 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2021, 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 a rate defined by HM Treasury. Currently this rate is 1.27% 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 2021 for existing finance leases.

For leases commencing in 2021/22, 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.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

All other revised and new standards have not been listed here as they are not considered to have an impact on the Foundation Trust.

1.21 Critical accounting estimates and judgements

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

Going Concern
Refer to note on going concern in section 1 - Accounting Policies.

Critical judgements in applying accounting policies

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

Impairments, estimated asset lives and revaluations

The Trust is required to review property, plant and equipment and investment properties for impairment. Between formal valuations by qualified surveyors, management make judgements about the condition of assets and review their estimated lives. Estimates are used to assess the fair value of land and buildings assets at each year end, in comparison to the carrying values, which may result in revaluation surpluses or deficits being recognised.

A net downwards revaluation of land and buildings of £3.9 million has been charged to the revaluation reserve, with a further £12.6 million included within operating expenses. This reflects the full valuation of Trust land and buildings carried out by the Trusts external valuers.

NOTES TO THE ACCOUNTS (continued)

1.22 Other accounting estimates and judgements

Provisions

A provision is recognised when the Trust has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. In addition to widely used estimation techniques, judgement is required when determining the probable outflow of economic benefits relating to early voluntary retirement pension and injury benefit liabilities.

Provision for impairment of receivables

Management will use their judgement to decide when to write off revenue or to provide against the probability of not being able to collect debt.

Key sources of estimation uncertainty

Management has made the following critical judgements in the process of applying the entity's accounting policies where

this has had a significant effect on the amounts recognised in the accounts:

The use of estimated asset lives in calculating depreciation (see Notes 1.5 and 8) and professional valuations that can result in increases and decreases to property values. The estimated effect of increasing/decreasing the asset lives of buildings by +/- one year would decrease/increase annual depreciation by some £170k. The estimated effect of changing the indices used by the valuer in the estate valuation by +/- 5% would be an increase/decrease of £4,661k in the estate's value.

In the view of the Trust there are no further estimates or judgements which if wrong could materially affect financial performance. Final contract sums have been agreed with all Commissioners in respect of activity undertaken during 2020/21. This income is included in the Accounts.

1.23 Cash and Cash Equivalents

The Foundation Trust’s cash is held primarily in the Government Banking Service. Small balances are maintained in a current account at Barclays plc.
The Poole Hospital Charitable Fund aims to spend all funds within a 2-3 year period and the Trustee has therefore decided to invest all of the charitable funds in short term fixed and instant access deposit accounts. The cash at the year-end is held in a deposit account at CCLA; fixed term deposits at Lloyds and Barclays and the balance is held in a deposit/current account at Barclays plc.

2 Operating Income

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2

2.1 Operating Income

Income from Patient Care Activities (by nature)	Group 2020/21 to 30 September 2020 £000	Foundation Trust 2020/21 to 30 September 2020 £000	Group 2019/20 to 31 March 2020 £000	Foundation Trust 2019/20 to 31 March 2020 £000
Elective income	8,245	**8,245**	28,589	28,589
Non elective income	39,404	**39,404**	93,179	93,179
First outpatient income	2,559	**2,559**	13,914	13,914
Follow up outpatient income	2,805	**2,805**	14,162	14,162
A & E income	4,386	**4,386**	10,733	10,733
High cost drugs income from commissioners	10,331	**10,331**	20,289	20,289
Other NHS Clinical Income	50,577	**50,577**	56,628	56,628
Private patient income	300	**300**	826	826
Additional pension contribution central funding (Note 1)	0	**0**	7,714	7,714
Other types of activity income	361	**361**	1,588	1,588
	118,968	**118,968**	247,622	247,622

Other Operating Income	2020/21 to 30 September 2020 £000	2020/21 to 30 September 2020 £000	2019/20 to 31 March 2020 £000	2019/20 to 31 March 2020 £000
Other operating income from contracts with customers:				
Education and training	**4,551**	**4,551**	8,602	8,602
Sustainability and Transformation Fund income (Note 2)	**19,252**	**19,252**	18,105	18,105
Non-patient care services to other bodies	**3,684**	**3,684**	9,227	9,227
NHS income for staff costs accounted on a gross basis	**1,099**	**1,099**	2,189	2,189
Research income	**150**	**150**	321	321
Income generation (Note 3)	**266**	**266**	2,370	2,370
Other income	**761**	**761**	3,648	3,648
Other non-contract operating income				
Cash donations for the purchase of capital assets - received from NHS charities	**0**	**187**	0	270
Charitable and other contributions to expenditure - received from NHS charities	**0**	**315**	0	1,032
Charitable and other contributions to expenditure - received from other bodies	**308**	**308**	527	527
NHS Charitable Funds: Incoming Resources excluding Investment Income	**466**	**0**	1,205	0
DHSC group - consumables donated for COVID response (Note 4)	**2,034**	**2,034**	0	0
	32,571	**32,607**	46,194	46,291
Total Operating Income	**151,539**	**151,575**	293,816	293,913

Note 1. This income relates to the 6.3% central funding by NHSE in respect of employer contributions to the NHS Pension Fund.

Note 2. This income relates to funding from NHS England for the delivery of an agreed financial control total position and the delivery of agreed performance trajectories. Core funding in the year was £14,004k - plus additional funding for Covid-19 0f £5,248k (2019/20 £15,691k).

Note 3. Income generation relates mainly to restaurant income and car park income received by the Trust

Note 4. The Trust recognises a notional income amount of £2,108,000 for the Personal Protective Equipment that was centrally procured and provided to the Trust during the COVID response. This is matched by notional expenditure as detailed in Note 7.

2.2 Mandatory and Non-Mandatory Income from Activities

	2020/21 to 30 September 2020 £000	2020/21 to 30 September 2020 £000	2019/20 to 31 March 2020 £000	2019/20 to 31 March 2020 £000
Mandatory	**118,307**	**118,307**	245,208	245,208
Non-Mandatory	**661**	**661**	2,414	2,414
Actual	**118,968**	**118,968**	247,622	247,622

2.3 Income from Activities by Source

	Group 2020/21 to 30 September 2020 £000	**Foundation Trust 2020/21 to 30 September 2020 £000**	Group 2019/20 to 31 March 2020 £000	Foundation Trust 2019/20 to 31 March 2020 £000
CCGs and NHS England	**118,061**	**118,061**	244,747	244,747
Department of Health and Social Care	**-**	-	-	-
Local Authorities (see Note 1)	**-**	-	43	43
NHS Other	**246**	**246**	461	461
Non NHS: Private patients	**300**	**300**	826	826
Non-NHS: Overseas patients non-reciprocal (Note 1)	**32**	**32**	311	311
NHS injury scheme (see Note 3)	**310**	**310**	1,177	1,177
Non NHS: Other	**19**	**19**	57	57
	118,968	**118,968**	247,622	247,622

Note 1. Local authority income relates mainly to the reimbursement of costs associated with delayed patient discharges.

Note 2. Overseas patient income for the year amounted to £32k (2019/20 £311k). Cash received amounted to £33k (2019/20 £120k) in respect of current and previous years' income. The amount added to the allowance for impairment of receivables in respect of current and prior years amounted to £200k (2019/20 £39k). The amounts written off in respect of current and prior years amounted to £28k (2019/20 £1k).

Note 3. NHS injury scheme income is subject to a provision for doubtful debts of 21.79% (2019/20 21.79%) to reflect expected rates of collection.

3 Operating Expenses and Operating Lease Costs

3.1 Operating Expenses (by type):

	Group 2020/21 to 30 September 2020 £000	Foundation Trust 2020/21 to 30 September 2020 £000	Group 2019/20 to 31 March 2020 £000	Foundation Trust 2019/20 to 31 March 2020 £000
Services from other Foundation Trusts	**3,269**	**3,269**	7,693	7,693
Services from NHS trusts	**120**	**120**	49	49
Services from other NHS bodies	**89**	**89**	170	170
Purchase of healthcare from non NHS bodies	**510**	**510**	1,234	1,234
Employee Expenses - Non Executive Directors' costs	**62**	**62**	124	124
Staff and executive directors costs (Note 4)	**100,702**	**100,702**	197,673	197,673
Redundancy - net charge after provisions	**14**	**14**	0	0
Supplies and services - clinical drugs	**12,759**	**12,759**	26,170	26,170
Supplies and services - clinical other	**9,178**	**9,178**	19,444	19,444
Supplies and services - Notional consumables donated for COVID response	**2,034**	**2,034**	0	0
Supplies and services - general	**3,086**	**3,086**	6,118	6,118
Establishment	**686**	**686**	1,788	1,788
Transport - other (including patient travel)	**186**	**186**	318	318
Rentals under operating leases - minimum lease payments	**13**	**13**	39	39
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	**68**	**68**	158	158
Premises	**4,758**	**4,758**	8,632	8,632
Movement in credit loss allowance: contract receivables/assets	**492**	**492**	129	129
Depreciation and amortisation	**4,052**	**4,050**	7,423	7,419
Impairment of property, plant and equipment	**12,621**	**12,621**	2,029	2,029
Audit fees - statutory audit (see Note a below)	**65**	**62**	70	64
Audit fees - other auditor remuneration (see Note a below)	**0**	**0**	41	41
Consultancy Costs	**258**	**258**	1,140	1,140
Internal Audit and Local Counter Fraud Services	**48**	**48**	90	90
Clinical negligence Insurance Costs	**5,265**	**5,265**	9,185	9,185
Other Services including External Payroll	**1,114**	**1,114**	1,819	1,819
Training and course fees etc.	**159**	**159**	812	812
Legal Fees	**85**	**85**	88	88
NHS Charitable Funds - Other resources expended	**41**	**0**	605	0
Other	**1,163**	**1,163**	227	227
	162,897	**162,851**	293,268	292,653

Note a. The Council of Governors has appointed KPMG LLP as external auditors of the Trust with effect from 6th April 2018.

The professional fees (excluding Vat) earned by KPMG LLP in the Audit of the Trust and Charity are as follows:

	2020/21 £000	2019/20 £000
Statutory Audit		
Financial Statement audit - Foundation Trust	**50**	51
Consolidation of Trust's Charitable Fund	**1**	1
Charity Accounts	**3**	5
Implementation of new standards	**0**	1
Total Statutory Audit Fee excluding Vat	**54**	58
Vat	**11**	10
Total Statutory Audit Fee including Vat	**65**	68
Non Audit Fees		
Quality Accounts work	**0**	2
Other advice	**0**	32
Non Audit Fees excluding Vat	**0**	34
Vat	**0**	8
Non Audit Fees including Vat	**0**	42
Total Audit Fees (including Vat)	**65**	110

3.2 Segmental Reporting

IFRS 8 defines the term of Chief Operating Decision Maker (CODM) as a group or individual whose 'function is to allocate resources to and assess the performance of the operating elements of the entity'. For the Trust, the most appropriate interpretation is that the Board of Directors represents the CODM. Operational performance is monitored at the monthly board meetings and key resource allocation decisions are agreed there.

Information is presented to the Board as a single operating segment and is under full IFRS. This mirrors the information that is submitted to NHS Improvement and enables the Board to make strategic decisions on the Annual Plan.

This information for the years ending 30th September 2020 and 31st March 2020 is shown in the table to this note.

The Trust generates the majority of its income from healthcare and related services. The information as displayed in the accounts reflects that which is submitted to the Board.

The Trust had two major customers during the year 2020/21 as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 59% and 31% of its total income respectively.

The comparative figures for 2019/20 were as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 60% and 25% of its total income respectively.

Summary of Key Financial Information (Foundation Trust)

	Period to 30 September 2020			Year to 31 March 2020		
	Actual	Original Plan	Variance	Actual	Original Plan	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Income	151,575	134,894	16,681	293,913	279,764	14,149
Operating Expenditure	146,180	142,209	(3,971)	283,205	268,457	(14,748)
EBITDA (Excl Charitable Income)	4,701	**(7,315)**	12,016	8,990	8,517	473
EBITDA % (Excl. Charitable Income)	3.10%	-5.43%		3.08%	3.08%	
(Deficit)/Surplus before impairment	**(12,818)**	**(13,040)**	**222**	**34**	**652**	**(618)**
Impairment	12,621	270	12,351	(2,029)	0	(2,029)
(Deficit)/Surplus after impairment	**(197)**	**(12,770)**	**12,573**	**(1,995)**	**652**	**(2,647)**
Cost Improvement Savings	0	2,187	(2,187)	5,384	6,798	(1,414)
Cost Improvement Savings (Incl. income)	0	2,202	(2,202)	6,082	9,031	(2,949)
Cash Balance	30,108	1,249	28,859	7,073	1,249	5,824
Capital Expenditure	7,962	9,392	(1,430)	18,444	12,190	6,254

4 Employee costs and numbers

4.1 Employee Expenses

	Group	Foundation Trust	Group	Foundation Trust
	2020/21 to 30 September 2020 Total	**2020/21 to 30 September 2020 Total**	2019/20 to 31 March 2020 Total	2019/20 to 31 March 2020 Total
	£000	**£000**	£000	£000
Salaries and wages	79,367	**79,367**	146,424	146,424
Social Security Costs	7,554	**7,554**	14,061	14,061
Apprenticeship levy	384	**384**	718	718
Employer contributions to NHS Pension Scheme	9,541	**9,541**	17,676	17,676
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	0	**0**	7,714	7,714
Termination Payments	14	**14**	0	0
Agency/Contract Staff	3,856	**3,856**	11,080	11,080
	100,716	**100,716**	197,673	197,673

4.2 Average Number of Employees (Note 1)

	Group	Foundation Trust	Group	Foundation Trust
	2020/21 to 30 September 2020 Total Number	**2020/21 to 30 September 2020 Total Number**	2019/20 to 31 March 2020 Total Number	2019/20 to 31 March 2020 Total Number
Medical and dental	**531**	**531**	507	507
Administration and estates	**666**	**666**	679	679
Healthcare assistants and other support staff	**184**	**184**	172	172
Nursing, midwifery and health visiting staff	**1,899**	**1,899**	1,911	1,911
Scientific, therapeutic and technical staff	**372**	**372**	354	354
Healthcare Scientists	**29**	**29**	26	26
Other	**378**	**378**	365	365
Total	**4,059**	**4,059**	4,014	4,014

of which 3,513 are permanent staff and 501 are other staff

Note 1. Average number of employees includes bank and agency staff numbers which are estimated based on the average equivalent cost of similar NHS staff positions. All staff numbers relate to the Foundation Trust. All staff working for the NHS Charity have contracts of employment with the Foundation Trust.

4.3 Employee Benefits

No additional benefits were paid to staff in the financial periods.

4.4 Retirements due to ill-health

During 2020/21 there were nil (2019/20 three) early retirements on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £nilk (2019/20 £159k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. This information has been supplied by NHS Pensions.

4 Employee costs and numbers - continued

4.5 Staff Exit Packages (Group and Foundation Trust - see Notes a)

	2020/21 to 30 September 2020								2019/20 to 31 March 2020	
Exit package cost band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed**	**Total Number of Exit Packages**	**Total Cost of Exit Packages**	**Number of departures where special payments have been made**	**Cost of special payment element included in Exit Packages**	Total Number	Total Cost (see Note a)
		£000		**£000**		**£000**		**£000**		£000
Less than £10,000	0	0	5	13	**5**	**13**	0	0	18	58
Between £10,000 and £25,000	1	14	0	0	**1**	**14**	0	0	2	35
Between £25,001 and £50,000	0	0	0	0	**0**	**0**	0	0	0	0
Between £50,001 and £100,000	0	0	2	142	**2**	**142**	0	0	0	0
Between £150,001 and £200,000	0	0	0	0	**0**	**0**	0	0	0	0
Total	**1**	**14**	**7**	**155**	**8**	**169**	**0**	**0**	**20**	**93**

Note a. - All Charity staff have contracts of employment with the Foundation Trust. There were no exit packages in the Charity Account and all the figures above relate to the Foundation Trust.

4.6 Remuneration of Directors - Foundation Trust (see Notes b and c)

	2020/21 to 30 September 2020				
	Total	**Benefits in Kind**	**Employer's Pension Contributions**	**Employer's National Insurance**	**Remuneration**
	£000	**£000**	**£000**	**£000**	**£000**
Executive Directors	**639**	0	51	67	521
Non Executive Directors	**62**	0	0	4	58
Total	**701**	**0**	**51**	**71**	**579**

	2019/20 to 31 March 2020				
	Total	**Benefits in Kind**	**Employer's Pension Contributions**	**Employer's National Insurance**	**Remuneration**
	£000	**£000**	**£000**	**£000**	**£000**
Executive Directors	**1,202**	0	100	111	991
Non Executive Directors	**137**	0	0	10	127
Total	**1,339**	**0**	**100**	**121**	**1,118**

Note b: The detail of the Directors' remuneration has been disclosed in the 2020/21 remuneration report within the Annual Report of the Foundation Trust. The above sums reflect actual payments made in the year.

Note c: All the costs in respect of the Remuneration of Directors above relate to the Foundation Trust. No additional sums were paid by the Charity to the Directors.

5 Finance Income	Group	Foundation Trust	Group	Foundation Trust
	2020/21 to 30 September 2020 £000	2020/21 to 30 September 2020 £000	2019/20 to 31 March 2020 £000	2019/20 to 31 March 2020 £000
Interest on Loans and Receivables	**0**	**0**	97	97
NHS Charitable Funds Investment Income	**27**	**0**	53	0
	27	**0**	**150**	**97**

6 Finance Costs - Interest Expense	Group	Foundation Trust	Group	Foundation Trust
	2020/21 to 30 September 2020 £000	2020/21 to 30 September 2020 £000	2019/20 to 31 March 2020 £000	2019/20 to 31 March 2020 £000
Capital loans from the Department of Health and Social Care	**152**	**152**	340	340
Revenue support loans from the Department of Health and Social Care	**0**	**0**	255	255
Finance Leases	**0**	**0**	3	3
Unwinding of discount (see Note 15)	**(7)**	**(7)**	2	2
	145	**145**	**600**	**600**

7 Intangible Assets	Group		Foundation Trust	
	2020/21 to 30 September 2020		2020/21 to 30 September 2020	
	Software licences £000	Total £000	Software licences £000	Total £000
Gross cost at 1 April 2020	7,019	7,019	7,019	7,019
Additions - Purchased	0	0	0	0
Additions - Donated	0	0	0	0
Gross cost at 30 September 2020	**7,019**	**7,019**	**7,019**	**7,019**
Amortisation at 1 April 2020	5,401	5,401	5,401	5,401
Charged during the year	212	212	212	212
Amortisation at 30 September 2020	**5,613**	**5,613**	**5,613**	**5,613**
Net book value				
- Purchased at 1 April 2020	1,590	1,590	1,590	1,590
- Donated at 1 April 2020	28	28	28	28
- Total at 1 April 2020	**1,618**	**1,618**	**1,618**	**1,618**
- Purchased at 30 September 2020	1,392	1,392	1,392	1,392
- Donated at 30 September 2020	14	14	14	14
- Total at 30 September 2020	**1,406**	**1,406**	**1,406**	**1,406**

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

Intangible Assets	Group		Foundation Trust	
	2019/20 to 31 March 2020		2019/20 to 31 March 2020	
	Software licences £000	Total £000	Software licences £000	Total £000
Gross cost at 31 March 2019	6,356	6,356	6,356	6,356
Additions - Purchased	663	663	663	663
Additions - Donated	0	0	0	0
Gross cost at 31 March 2020	**7,019**	**7,019**	**7,019**	**7,019**
Amortisation at 31 March 2019	4,716	4,716	4,716	4,716
Charged during the year	685	685	685	685
Amortisation at 31 March 2020	**5,401**	**5,401**	**5,401**	**5,401**
Net book value				
- Purchased at 1 April 2019	1,580	1,580	1,580	1,580
- Donated at 1 April 2019	60	60	60	60
- Total at 1 April 2019	**1,640**	**1,640**	**1,640**	**1,640**
- Purchased at 31 March 2020	1,590	1,590	1,590	1,590
- Donated at 31 March 2020	28	28	28	28
- Total at 31 March 2020	**1,618**	**1,618**	**1,618**	**1,618**

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

8.1 Property, Plant and Equipment 2020/21 Group

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	**10,213**	**99,376**	**1,907**	**13,673**	**62,921**	**17**	**20,571**	**485**	**205**	**209,368**
Additions purchased	0	199	12	5,586	1,701	0	276	0	0	**7,774**
Additions donated (Note 1)	0	75	0	0	95	0	18	0	0	**188**
Additions leased	0	0	0	0	0	0	0	0	0	**0**
Revaluations (Notes 3 and 4)	(4,042)	(5,307)	(1,825)	0	0	0	0	0	(37)	**(11,211)**
Reclassifications	0	0	0	(2,144)	2,144	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	0	0	0	**0**
Cost or Valuation at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**66,861**	**17**	**20,865**	**485**	**168**	**206,119**
Depreciation at 1 April 2020	**0**	**0**	**0**	**0**	**42,406**	**17**	**15,395**	**474**	**0**	**58,292**
Charged during the year	0	1,458	33	0	1,802	0	544	1	2	**3,840**
Impairments (Note 3)	0	12,621	0	0	0	0	0	0	0	**12,621**
Revaluations (Notes 3 and 4)	0	(14,079)	(33)	0	0	0	0	0	(2)	**(14,114)**
Disposals	0	0	0	0	0	0	0	0	0	**0**
Depreciation at 30 September 2020	**0**	**0**	**0**	**0**	**44,208**	**17**	**15,939**	**475**	**0**	**60,639**
Net book value										
- Purchased at 31 March 2020	10,213	92,018	1,907	13,673	17,165	0	5,176	11	205	**140,368**
- Donated at 31 March 2020	0	7,358	0	0	3,291	0	0	0	0	**10,649**
- Finance Lease at 31 March 2020	0	0	0	0	59	0	0	0	0	**59**
- Total at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**205**	**151,076**
- Purchased at 30 September 2020	6,171	89,050	94	17,115	19,509	0	4,908	10	168	**137,025**
- Donated at 30 September 2020	0	5,293	0	0	3,100	0	18	0	0	**8,411**
- Finance Lease at 30 September 2020	0	0	0	0	44	0	0	0	0	**44**
- Total at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**22,653**	**0**	**4,926**	**10**	**168**	**145,480**

8.2 Analysis of Property, Plant and Equipment at 30 September 2020

Net book value (Note 2)										
- NBV - Protected assets at 30 September 2020	6,171	94,343	94	0	0	0	0	0	168	**100,776**
- NBV - Unprotected assets at 30 September 2020	0	0	0	17,115	22,653	0	4,926	10	0	**44,704**
- Total at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**22,653**	**0**	**4,926**	**10**	**168**	**145,480**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 30th September 2020, £166k related to land valued at open market value and £94k related to buildings valued at open market value.

Note 3. The Impairments in the year arose due to the revaluation of the estate by the Trust Valuer.

Note 4. The 30 September 2020 valuation is based on a BCIS 'All in' TPI of 332 and a Location Factor of 100

8.3 Property, Plant and Equipment 2019/20 Group

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	**9,373**	**105,281**	**1,773**	**4,536**	**59,269**	**17**	**18,865**	**485**	**204**	**199,803**
Additions purchased	0	2,109	0	9,137	4,482	0	1,706	0	0	17,434
Additions donated (Note 1)	0	0	0	0	270	0	0	0	0	270
Additions leased	0	0	0	0	77	0	0	0	0	77
Revaluations (Note 3)	840	(5,978)	134	0	0	0	0	0	1	(5,003)
Reclassifications	0	(7)	0	0	7	0	0	0	0	0
Impairments (Note 3)	0	(2,029)	0	0	0	0	0	0	0	(2,029)
Disposals	0	0	0	0	(1,184)	0	0	0	0	(1,184)
Cost or Valuation at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**62,921**	**17**	**20,571**	**485**	**205**	**209,368**
Depreciation at 1 April 2019	**0**	**2,374**	**41**	**0**	**40,770**	**17**	**14,383**	**472**	**3**	58,060
Charged during the year	0	2,839	61	0	2,820	0	1,012	2	4	6,738
Impairments	0	0	0	0	0	0	0	0	0	0
Revaluations	0	(5,213)	(102)	0	0	0	0	0	(7)	(5,322)
Disposals	0	0	0	0	(1,184)	0	0	0	0	(1,184)
Depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**42,406**	**17**	**15,395**	**474**	**0**	**58,292**
Net book value										
- Purchased at 31 March 2019	9,373	95,587	1,732	4,536	14,861	0	4,482	13	201	130,785
- Donated at 31 March 2019	0	7,320	0	0	3,610	0	0	0	0	10,930
- Finance Lease at 31 March 2019	0	0	0	0	28	0	0	0	0	28
- Total at 31 March 2019	**9,373**	**102,907**	**1,732**	**4,536**	**18,499**	**0**	**4,482**	**13**	**201**	**141,743**
- Purchased at 31 March 2020	10,213	92,018	1,907	13,673	17,165	0	5,176	11	205	140,368
- Donated at 31 March 2020	0	7,358	0	0	3,291	0	0	0	0	10,649
- Finance Lease at 31 March 2020	0	0	0	0	59	0	0	0	0	59
- Total at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**205**	**151,076**

8.4 Analysis of Property, Plant and Equipment at 31 March 2020

Net book value (Note 2)										
- NBV - Protected assets at 31 March 2020	10,213	99,376	1,907	0	0	0	0	0	205	111,701
- NBV - Unprotected assets at 31 March 2020	0	0	0	13,673	20,515	0	5,176	11	0	39,375
- Total at 31 March 2018	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**205**	**151,076**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2020, £965k related to land valued at open market value and £1,907k related to buildings valued at open market value.

Note 3. The Impairments in the year arose due to the revaluation of the estate by the Trust Valuer.

Note 4. The indices used in the revaluation of the estate were the Building Cost Information (BCIS) for Q1 2020.

8.5 Property, Plant and Equipment 2020/21 Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	**10,213**	**99,376**	**1,907**	**13,673**	**62,921**	**17**	**20,571**	**485**	**209,163**
Additions purchased	0	199	12	5,586	1,701	0	276	0	7,774
Additions donated (Note 1)	0	75	0	0	95	0	18	0	188
Additions leased	0	0	0	0	0	0	0	0	0
Revaluations (Notes 3 and 4)	(4,042)	(5,307)	(1,825)	0	0	0	0	0	(11,174)
Reclassifications	0	0	0	(2,144)	2,144	0	0	0	0
Impairments (Note 3)	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Cost or Valuation at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**66,861**	**17**	**20,865**	**485**	**205,951**
Depreciation at 1 April 2020	**0**	**0**	**0**	**0**	**42,406**	**17**	**15,395**	**474**	**58,292**
Charged during the year	0	1,458	33	0	1,802	0	544	1	3,838
Impairments (Note 3)	0	12,621	0	0	0	0	0	0	12,621
Revaluations (Notes 3 and 4)	0	(14,079)	(33)	0	0	0	0	0	(14,112)
Disposals	0	0	0	0	0	0	0	0	0
Depreciation at 30 September 2020	**0**	**0**	**0**	**0**	**44,208**	**17**	**15,939**	**475**	**60,639**
Net book value									
- Purchased at 31 March 2020	10,213	92,018	1,907	13,673	17,165	0	5,176	11	140,163
- Donated at 31 March 2020	0	7,358	0	0	3,291	0	0	0	10,649
- Finance Lease at 31 March 2020	0	0	0	0	59	0	0	0	59
- Total at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**150,871**
- Purchased at 30 September 2020	6,171	89,050	94	17,115	19,509	0	4,908	10	136,857
- Donated at 30 September 2020	0	5,293	0	0	3,100	0	18	0	8,411
- Finance Lease at 30 September 2020	0	0	0	0	44	0	0	0	44
- Total at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**22,653**	**0**	**4,926**	**10**	**145,312**

8.6 Analysis of Property, Plant and Equipment at 30 September 2020

Net book value (Note 2)									
- NBV - Protected assets at 30 September 2020	6,171	94,343	94	0	0	0	0	0	100,608
- NBV - Unprotected assets at 30 September 2020	0	0	0	17,115	22,653	0	4,926	10	44,704
- Total at 30 September 2020	**6,171**	**94,343**	**94**	**17,115**	**22,653**	**0**	**4,926**	**10**	**145,312**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 30th September 2020, £166k related to land valued at open market value and £94k related to buildings valued at open market value.

Note 3. The Impairments in the year arose due to the revaluation of the estate by the Trust Valuer.

Note 4. The 30 September 2020 valuation is based on a BCIS 'All in' TPI of 332 and a Location Factor of 100

8.7 Property, Plant and Equipment 2019/20 Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	**9,373**	**105,281**	**1,773**	**4,536**	**59,269**	**17**	**18,865**	**485**	**199,599**
Additions purchased	0	2,109	0	9,137	4,482	0	1,706	0	17,434
Additions donated (Note 1)	0	0	0	0	270	0	0	0	270
Additions leased	0	0	0	0	77	0	0	0	77
Revaluations (Note 2)	840	(5,978)	134	0	0	0	0	0	(5,004)
Reclassifications	0	(7)	0	0	7	0	0	0	0
Impairments (Note 2)	0	(2,029)	0	0	0	0	0	0	(2,029)
Disposals	0	0	0	0	(1,184)	0	0	0	(1,184)
Cost or Valuation at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**62,921**	**17**	**20,571**	**485**	**209,163**
Depreciation at 1 April 2019	**0**	**2,374**	**41**	**0**	**40,770**	**17**	**14,383**	**472**	**58,057**
Charged during the year	0	2,839	61	0	2,820	0	1,012	2	6,734
Impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(5,213)	(102)	0	0	0	0	0	(5,315)
Disposals	0	0	0	0	(1,184)	0	0	0	(1,184)
Depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**42,406**	**17**	**15,395**	**474**	**58,292**
Net book value									
- Purchased at 31 March 2019	9,373	95,587	1,732	4,536	14,861	0	4,482	13	130,584
- Donated at 31 March 2019	0	7,320	0	0	3,610	0	0	0	10,930
- Finance Lease at 31 March 2019	0	0	0	0	28	0	0	0	28
- Total at 31 March 2019	**9,373**	**102,907**	**1,732**	**4,536**	**18,499**	**0**	**4,482**	**13**	**141,542**
- Purchased at 31 March 2020	10,213	92,018	1,907	13,673	17,165	0	5,176	11	140,163
- Donated at 31 March 2020	0	7,358	0	0	3,291	0	0	0	10,649
- Finance Lease at 31 March 2020	0	0	0	0	59	0	0	0	59
- Total at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**150,871**

8.8 Analysis of Property, Plant and Equipment at 31 March 2020

Net book value (Note 2)									
- NBV - Protected assets at 31 March 2020	10,213	99,376	1,907	0	0	0	0	0	111,496
- NBV - Unprotected assets at 31 March 2020	0	0	0	13,673	20,515	0	5,176	11	39,375
- Total at 31 March 2020	**10,213**	**99,376**	**1,907**	**13,673**	**20,515**	**0**	**5,176**	**11**	**150,871**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2020, £965k related to land valued at open market value and £1,907k related to buildings valued at open market value.

Note 3. The Impairments in the year arose due to the revaluation of the estate by the Trust Valuer.

Note 4. The indices used in the revaluation of the estate were the Building Cost Information (BCIS) for Q1 2020.

8.9 The net book value of Property, Plant and Equipment at 30 September comprises:

	Group 30 September 2020	Foundation Trust 30 September 2020	Group 31 March 2020	Foundation Trust 31 March 2020
	£000	£000	£000	£000
Freehold				
Protected	100,776	100,608	111,701	111,496
Unprotected	44,704	44,704	39,375	39,375
TOTAL	**145,480**	**145,312**	**151,076**	**150,871**

9 Net book value of assets held under finance leases - Group and Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date held under finance leases:

	Plant and machinery	Total
	£000	£000
Cost or valuation at 1 April 2020	77	77
Additions during the year	0	0
Cost or Valuation at 30 September 2020	**77**	**77**
Depreciation at 1 April 2020	18	18
Charged during the year	15	15
Depreciation at 30 September 2020	**33**	**33**
Net book value		
- Purchased at 1 April 2020	59	59
- Total at 1 April 2020	**59**	**59**
- Purchased at 30 September 2020	44	44
- Total at 30 September 2020	**44**	**44**

Finance leases relate to medical equipment assets. All finance leases relate to the Foundation Trust.

10 Inventories

	Group	Foundation Trust	Group	Foundation Trust
	30 September 2020	**30 September 2020**	31 March 2020	31 March 2020
	£000	£000	£000	£000
Consumables	2,745	2,745	2,809	2,809
TOTAL	**2,745**	**2,745**	**2,809**	**2,809**

Note: all inventories relate to the Foundation Trust

11 Trade receivables and other receivables (Group)

11.1 Current

	Total 30 September 2020 £000	Financial Assets 30 September 2020 £000	Non-financial Assets 30 September 2020 £000	Total 31 March 2020 £000	Financial Assets 31 March 2020 £000	Non-financial Assets 31 March 2020 £000
Contract receivables (IFRS 15): invoiced - NHS bodies	2,188	2,188	0	9,173	9,173	0
Contract receivables (IFRS 15): not yet invoiced - NHS bodies	1,769	1,769	0	6,777	6,777	0
Contract receivables (IFRS 15): invoiced - external to Government	1,352	1,352	0	1,552	1,552	0
Contract receivables (IFRS 15): not yet invoiced - external to Government	2,367	2,367	0	2,277	2,277	0
Clinician pension tax provision reimbursement funding from NHSE	0	0	0		0	0
Allowance for impaired contract receivables	(1,180)	(1,180)	0	(636)	(636)	0
Prepayments	2,415	0	2,415	2,251	0	2,251
NHS Charitable Funds: Trade and other receivables	319	319	0	639	639	0
VAT receivable	514	0	514	356	0	356
PDC dividend receivable	0	0	0	89	0	89
Interest receivable	0	0	0	4	4	0
Total Current Trade and Other Receivables	**9,744**	**6,815**	**2,929**	**22,482**	**19,786**	**2,696**

11.2 Non-Current

Allowance for impaired contract receivables	(248)	(248)	0	(347)	(347)	0
Contract receivables (IFRS 15): not yet invoiced - non NHS and other WGA bodies	1,137	1,137	0	1,591	1,591	0
Clinician pension tax provision reimbursement funding from NHSE	672		672	672	672	0
Total Non Current Trade and Other Receivables	**1,561**	**889**	**672**	**1,916**	**1,916**	**0**

11.3 Allowance for impaired contract receivables

	2020/21 £000	2019/20 £000
At 1 April 2020 (1 April 2019)	**983**	**858**
Increase in provision	492	129
Utilisation of allowances (where receivable is written off)	(47)	(4)
At 30 September 2020 (31 March 2020)	**1,428**	**983**

11.4 Trade receivables and other receivables (Foundation Trust)

Current	Total 30 September 2020 £000	Financial Assets 30 September 2020 £000	Non-financial Assets 30 September 2020 £000	Total 31 March 2020 £000	Financial Assets 31 March 2020 £000	Non-financial Assets 31 March 2020 £000
Contract receivables (IFRS 15): invoiced - NHS bodies	2,188	2,188	0	9,173	9,173	0
Contract receivables (IFRS 15): not yet invoiced - NHS bodies	1,769	1,769	0	6,944	6,944	0
Contract receivables (IFRS 15): invoiced - external to NHS	1,352	1,352	0	1,552	1,552	0
Contract receivables (IFRS 15): not yet invoiced - external to NHS	2,367	2,367	0	2,110	2,110	0
Contract receivables (IFRS 15): invoiced - NHS charitable funds	85	85	0	167	167	0
Clinician pension tax provision reimbursement funding from NHSE	0	0	0	0	0	0
Allowance for impaired contract receivables	(1,180)	(1,180)	0	(636)	(636)	0
Prepayments	2,415	0	2,415	2,251	0	2,251
VAT receivable	514	0	514	356	0	356
PDC dividend receivable	0	0	0	89	0	89
Interest receivable	0	0	0	4	4	0
Total Current Trade and Other Receivables	**9,510**	**6,581**	**2,929**	**22,010**	**19,314**	**2,696**
Non-Current						
Allowance for impaired contract receivables	(248)	(248)	0	(347)	(347)	0
Contract receivables (IFRS 15): not yet invoiced - non NHS and other WGA bodies	1,137	1,137	0	1,591	1,591	0
Clinician pension tax provision reimbursement funding from NHSE	672	0	672	672	672	0
Total Non Current Trade and Other Receivables	**1,561**	**889**	**672**	**1,916**	**1,916**	**0**

11.5 Allowance for impaired contract receivables

	2020/21 £000	2019/20 £000
At 1 April 2020 (1 April 2019)	**983**	**858**
Increase in provision	492	129
Utilisation of allowances (where receivable is written off)	(47)	(4)
At 30 September 2020 (31 March 2020)	**1,428**	**983**

12 Current and Non Current Liabilities

12.1 Trade and other payables (Group)

Current	Total 30 September 2020 £000	Financial Liabilities 30 September 2020 £000	Non-financial Liabilities 30 September 2020 £000	Total 31 March 2020 £000	Financial Liabilities 31 March 2020 £000	Non-financial Liabilities 31 March 2020 £000
Receipts in advance	298	0	298	348	0	348
NHS payables - capital	0	0	0	0	0	0
NHS payables - revenue	23,820	23,820	0	8,420	8,420	0
PDC payable	1,386	0	1,386	0	0	0
Amounts due to other related parties	2,817	2,817	0	2,599	2,599	0
Trade payables - capital	3,402	3,402	0	5,382	5,382	0
Other trade payables	2,661	2,661	0	7,405	7,405	0
Taxes payable	4,303	0	4,303	3,829	0	3,829
Other payables	275	275	0	199	199	0
Accruals	6,421	6,421	0	5,666	5,666	0
NHS Charitable Funds - trade and other payables	13	13	0	162	162	0
Total Current Trade and Other Payables	**45,396**	**39,409**	**5,987**	**34,010**	**29,833**	**4,177**

12.2 Trade and other payables (Foundation Trust)

Current	Total 30 September 2020 £000	Financial Liabilities 30 September 2020 £000	Non-financial Liabilities 30 September 2020 £000	Total 31 March 2020 £000	Financial Liabilities 31 March 2020 £000	Non-financial Liabilities 31 March 2020 £000
Receipts in advance	298	0	298	348	0	348
NHS payables - capital	0	0	0	0	0	0
NHS payables - revenue	23,820	23,820	0	8,420	8,420	0
PDC payable	1,386	0	1,386	0	0	0
Amounts due to other related parties	2,817	2,817	0	2,599	2,599	0
Trade payables - capital	3,402	3,402	0	5,382	5,382	0
Other trade payables	2,661	2,661	0	7,405	7,405	0
Taxes payable	4,303	0	4,303	3,829	0	3,829
Other payables	275	275	0	199	199	0
Accruals	6,421	6,421	0	5,666	5,666	0
NHS Charitable Funds - trade and other payables	0	0	0	0	0	0
Total Current Trade and Other Payables	**45,383**	**39,396**	**5,987**	**33,848**	**29,671**	**4,177**

12.3 Other Liabilities (Group and Foundation Trust)

	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Deferred Income	549	549	549	549
TOTAL	**549**	549	549	549

13 Borrowings

	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Current				
Capital loans from Department of Health and Social Care (Note a, b and c.)	1,907	1,907	4,970	4,970
Revenue support /working capital loans from Department of Health and Social Care (Note d.)	0	0	21,587	21,587
Other loans (Note e.)	259	259	277	277
Obligations under finance leases	31	31	31	31
Total Other Current Liabilities	**2,197**	**2,197**	**26,865**	**26,865**
Non-current				
Capital loans from Department of Health and Social Care (Note a, b and c.)	10,863	10,863	11,781	11,781
Revenue support/working capital loans from Department of Health and Social Care (Note d.)	0	0	0	0
Other loans (Note e.)	259	259	388	388
Obligations under finance leases	15	15	29	29
Total Other Non- Current Liabilities	**11,137**	**11,137**	**12,198**	**12,198**

Note a. During 2014/15 the Trust agreed a loan facility of £20 million with the Department of Health and Social Care (DHSC) to fund capital schemes over a three/four year period. £10.9m of this facility is repayable within 10 years from the date of drawdown at an annual interest rate of 1.93%. The remaining £9.1m is repayable over 20 years from the date of drawdown at an annual interest rate of 2.63%. £1.6m was drawn down during 2018/19. £6.65 million of this facility was drawn down during 2017/18. £3.0 million of this facility was drawn down in 2016/17; £3.95 million was drawn down in 2015/16 and £4.8 million was drawn down in 2014/15. £919k of this loan facility was repaid in 2020/21 (2019/20 £1,837k).

Note b. During 2019/20 the Trust agreed a loan facility of £14,797k with the DHSC to fund the Hospital Theatres development at an interest rate of 0.88% repayable over 25 years from the date of drawdown. £1,500k was drawn down in 2019/20. This loan of £1,500k was converted to Public Dividend Capital in September 2020.

Note c. During 2019/20 the Trust agreed a loan facility of £1,555k with the DHSC to fund the purchase of a gamma camera at an interest rate of 0.24% repayable over 10 years from the date of drawdown. The full amount of £1,555k was drawn down during 2019/20. This loan of £1,555k was converted to Public Dividend Capital in September 2020.

Note d. During 2019/20 the Trust agreed revenue further support/working capital loans of £11.914k (2018/19 £9.610k) with the Department of Health and Social Care. The total loan of £21,524k was converted to Public Dividend Capital in September 2020.

Note e. During 2015/16 the Trust agreed an interest free loan facility of £1,441k with Salix, which is capital available to the public sector to fund energy efficient schemes, such as lighting upgrades, CHP etc. The loan is repayable over a five year period. The full amount of £1,441k was drown down by 31st March 2017. £148k of this facility was repaid in 2020/21 (2019/20 £296k).

Details of the phasing of repayments on borrowings shown above are as follows: due within one year £2,197k; due within two to five years £7,623k; over five years £3,514

All borrowings relate to the Foundation Trust.

14 Finance Lease Obligations - Group and Foundation Trust

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	At 30 September 2020 £000	At 31 March 2020 £000	At 30 September 2020 £000	At 31 March 2020 £000
Gross lease liabilities				
of which liabilities are due:				
not later than one year;	31	31	31	31
later than one year and not later than five years;	15	29	15	29
later than five years;	0	0	0	0
Finance charges allocated to future periods	0	0	0	0
Total Gross Lease Liabilities	**46**	**60**	**46**	**60**
Net lease liabilities				
not later than one year;	31	31	31	31
later than one year and not later than five years;	15	29	15	29
later than five years;	0	0	0	0
Total net lease liabilities	**46**	**60**	**46**	**60**

Note: Finance Leases relate mainly to medical equipment assets. All finance leases relate to the Foundation Trust.

15 Provisions for Liabilities and Charges (see Note a)

Current	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Pensions - early departure costs	13	13	13	13
Pensions- Injury benefits	63	63	58	58
Other legal claims	29	29	70	70
Redundancy	0	0	0	0
Other	100	100	0	0
Total Current Provisions for Liabilities and Charges	**205**	**205**	**141**	**141**
Non-current				
Pensions- Early departure costs	77	77	83	83
Pensions- Injury benefits	1,255	1,255	1,291	1,291
Clinician pension tax provision reimbursement funding from NHSE (Note b)	672	672	672	672
Total Non-current Provisions for Liabilities and Charges	**2,004**	**2,004**	**2,046**	**2,046**

Note a: All provisions relate to the Foundation Trust and the Charity had no provisions in its accounts.

Note b: This relates to possible consultants' tax liabilities arising from exceeding marginal pension thresholds and will be funded centrally.

Provisions for liabilities and charges

	30 September 2020 Pensions - early departure costs Note 1	Pensions - injury benefits costs Note 1	Other legal claims Note 2	Redundancy	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020	**96**	**1,349**	**70**	**0**	**672**	**0**	**2,187**
Change in the discount rate	0	0	0	0	0	0	0
Arising during the period	0	7	0	0	0	100	107
Utilised during the period	(6)	(31)	(41)	0	0	0	(78)
Reversed unused	0	0	0	0	0	0	0
Unwinding of discount	0	(7)	0	0	0	0	(7)
At 30 September 2020	**90**	**1,318**	**29**	**0**	**672**	**100**	**2,209**
At 1 April 2019	**98**	**778**	**71**	**648**	**0**	**381**	**1,976**
Change in the discount rate	0	67	0	0	0	0	67
Arising during the period	11	642	52	0	672	0	1,377
Utilised during the period	(13)	(140)	(18)	0	0	0	(171)
Reversed unused	0	0	(35)	(648)	0	(381)	(1,064)
Unwinding of discount	0	2	0	0	0	0	2
At 31 March 2020	**96**	**1,349**	**70**	**0**	**672**	**0**	**2,187**
Expected timing of cashflows at 31 March 2020:							
Not later than one year	13	63	29	0	0	100	205
Later than one year and not later than five years	51	254	0	0	0	0	305
Later than five years	26	1,001	0	0	672	0	1,699
Total	**90**	**1,318**	**29**	**0**	**672**	**100**	**2,209**

Note 1. Pension early departure costs relate to the estimated actuarial pension liabilities in respect of staff who retired due to sickness, injury or redundancy prior to 2004.

Note 2. Legal claims relate to employer and third party liability claims against the Trust.

Clinical Negligence Liabilities:

£145,454k is included in the provisions of NHS Resolution at 30 September 2020 in respect of clinical negligence liabilities of the NHS Trust (31 March 2020 £161,077k).

Non Clinical Liabilities

Refer to Note 19 re Contingent Liabilities for Non Clinical claims.

16 Cash and Cash Equivalents

	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Balance at 1 April 2019 (1 April 2019)	**16,424**	**7,073**	**14,317**	**5,471**
Net change in year - Foundation Trust	23,035	23,035	1,602	1,602
Net change in year - Charitable Funds	37	0	505	0
Balance at 30 September 2020 (31 March 2020)	**39,496**	**30,108**	**16,424**	**7,073**
Broken down into:				
Cash at commercial banks and in hand - Foundation Trust	783	783	89	89
Cash at commercial banks and in hand - Charitable Funds	9,388	0	9,351	0
Cash with the Government Banking Service - Foundation Trust	29,325	29,325	6,984	6,984
Cash and Cash Equivalents as in SoFP and SoCF at 30 September 2020 (31 March 2020)	**39,496**	**30,108**	**16,424**	**7,073**

17 Contractual Capital Commitments

	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Property, Plant and Equipment	5,115	5,115	2,263	2,263
Total at 30 September 2020 (31 March 2020)	**5,115**	**5,115**	**2,263**	**2,263**

18 Events after the Reporting Period

On 1 October 2020, Poole Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust merged their operations into a single Trust, University Hospitals Dorset NHS Foundation Trust. On the same day, Poole Hospital NHS Foundation Trust was dissolved. Whilst Poole Hospital NHS Foundation Trust is therefore not a going concern due to its dissolution as part of the merger, the financial statements of the Trust have been prepared on a going concern basis because its services are continuing to be provided by the successor foundation trust.

19 Contingent Liabilities

	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Gross value of contingent liabilities	(50)	(50)	(41)	(41)
Total Contingent Liabilities	**(50)**	**(50)**	**(41)**	**(41)**

The above contingency relates to the Liabilities to Third Party Scheme (LTPS) administered by NHS Resolution on behalf of the Trust. NHS Resolution is currently resolving a total of 8 (2019/20 15) claims made against the Trust and the above represents their view of the net amount the Trust would have to pay if cases provided for were to be settled in favour of the claimant.

20 Related Party Transactions (Foundation Trust)

Poole Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health and Social Care.

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 with Poole Hospital NHS Foundation Trust, with the exception of the contractual pay which has been disclosed in the Remuneration Report within the Directors' Report.

The Department of Health and Social Care and any other body within the Whole of Government Accounts is regarded as a related party. During the year Poole Hospital NHS Foundation Trust has had a significant number of material transactions with the Department and with other entities as follows:

There were no significant transactions or debtor/creditor balances between the Poole Hospital Charity and the related parties of the Foundation Trust.

	2020/21 to 30 September 2020		2019/20 to 31 March 2020	
20.1 Value of Transactions with Other Related Parties (Foundation Trust)	**Income**	**Expenditure**	**Income**	**Expenditure**
	£'000	**£'000**	**£'000**	**£'000**
NHS Dorset CCG	88,727	103	176,667	241
NHS England	46,465	14	72,007	0
Royal Bournemouth and Christchurch NHS FT	1,905	2,970	5,654	5,157
Dorset County Hospital FT	525	321	1,187	917
Dorset Healthcare FT	1,809	898	3,901	1,826
West Hampshire CCG	2,191	0	4,219	0
Public Health England	0	89	191	182
Health Education England	4,551	15	8,648	0
University Hospital Bristol FT	0	6	0	25
University Hospital Southampton FT	849	423	1,574	703
NHS Resolution	0	5,265	0	9,185
Dept. of Health	0	0	65	0
Charitable Funds	502	0	1,302	0
NHS Blood and Transport	0	385	0	0
NHS Pension Scheme	0	9,541	0	25,390
HM Revenue & Customs - Employer NI Contributions	0	7,938	0	14,779
Other NHS/WGA Bodies	132	1,388	2,166	1,636
Total Value of Transactions with Other Related Parties	**147,656**	**29,356**	**277,581**	**60,041**

Note a. The Trust paid income tax of £10,724k (2019/20 £19,538k); National Insurance of £5,661k (2019/20 £10,874k) on behalf of its employees to HMR&C and recovered net VAT amounting to £1,973k (2019/2020 £3,522k). These amounts have not been included in the schedule above as income or expenditure. De minimis rules apply to disclosure whereby only expenditure or income in excess of £0.5 million is disclosed.

	2020/21 to 30 September 2020		2019/20 to 31 March 2020	
20.2 Balances with Other Related Parties (Foundation Trust)	**Receivables**	**Payables**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
Royal Bournemouth and Christchurch NHS FT	0	237	3,356	7,120
NHS Dorset CCG	18	15,389	533	638
NHS England	722	6,864	8,501	0
Dorset County Hospital NHS FT	228	165	390	282
Dorset Healthcare NHS FT	1,147	443	986	394
West Hampshire CCG	1	365	703	0
University Hospital Southampton NHS FT	404	207	541	226
NHS Pension Scheme	0	2,732	0	2,522
Dept. of Health	0	0	0	0
Charitable Funds	85	0	167	0
HM Revenue & Customs - National Insurance and Income Tax	0	4,303	0	3,828
HM Revenue & Customs - VAT	514	0	356	0
Other NHS/WGA Bodies	1,172	784	1,153	386
Total Balances with Other Related Parties	**4,291**	**31,489**	**16,686**	**15,396**

21 Private Finance Transactions

PFI schemes deemed to be off-SoFP

Staff Residences

£53k (£128k 2019/20) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £128k (during the next year) and £64k (later than one year but not later than five years) in respect of a PFI scheme that is expected to expire in 18 months.

The estimated capital value of the PFI scheme is £3.5 million.

The scheme started on 1 April 1996 and is contracted to end on 31 August 2021. The contract has been now extended to 30th September 2021.

Western Challenge Housing Association (now Sovereign) acquired the staff residences from the Trust in September 1996 on a 99 year lease with a break clause after 25 years. The Trust is committed to pay £28k rent subsidy per annum (fixed through the period of the lease) and also a management fee of £56k (increased annually by the Retail Price Index) for the duration of the lease.

Nursery

£15k (£30k 2019/20) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The estimated capital value of the PFI scheme is £0.4 million.

The scheme started on 1 September 2004 and ended on 31 August 2019.The Nursery lease has expired for both the Trust as a tenant and landlord. The Trust is considering serving notice to terminate the lease through its solicitors.

The Trust entered (in August 2004) into a 15 year lease with BDL Systems Ltd. Retirement Benefit Scheme (now assigned to Blackhill Investments) in respect of the rental of a building at Denmark Lane, Poole for the purpose of providing a nursery, mainly for Poole Hospital staff. The nursery is managed by TOPS Day Nursery. The Trust leased back the building to TOPS on the same terms and conditions as the original lease. The Trust will pay Blackhill Investments Limited a sum of £30k per annum for the remainder of the 15 year period. TOPS will pay a similar amount to the Trust over the same period.

Hospital Front Entrance

Front entrance Poole Hospital. Legal documents were completed and exchanged on 22 October 2018. The arrangement comprises 35 year ground and occupational lease agreements between Poole Hospital and Noviniti (Poole) Limited - a specialist project vehicle (SPV) established to deliver the overall project; with an initial 15 year retail sub lease granted to the Compass Group, Stock Shop and WHSMITH in return for three retail outlets.The gross development cost to Practical Completion including financing is £3.6m, which includes £3.2m construction (£2m works cost and contingencies, £732k for the retail fit-out/ asset recovery from the current small Costa Coffee unit and the £440k one-off contribution payable to Poole Hospital). Approval of the legal agreements exchanged on 22 October 2018 triggered the following two payments by Noviniti Limited in favour of the Trust:

- £30k Ground Lease Premium
- £845k one-off income receipt, as agreed in the original financial model

22 Financial Instruments (Foundation Trust)

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly applies. The NHS Foundation 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 NHS Foundation Trust in undertaking its activities.

The Foundation Trust's financial assets and liabilities are valued at amortised cost and these are the only type of financial instrument held.

Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. Market risk comprises three types of risk, where the fair value or future cash flows could fluctuate because of movements in the underlying Interest rate risk, Currency risk; and Price risk

Interest rate risk:

The Foundation Trust invests surplus funds with Barclays Bank plc and the Government Banking Service (GBS). There were no short term investments held at the year end. Therefore the Foundation Trust's financial assets and liabilities carry nil or fixed rates of interest and the Foundation Trust's income and operating cash-flows are substantially independent of changes in market interest rates.

Currency risk

The Foundation Trust's transactions are all undertaken in sterling and so it is not exposed to foreign exchange risk.

Price risk

The Foundation Trust has got a number of contractual arrangements which are linked to the UK Retail Price Index (RPI). As such the Foundation Trust is exposed to price risk in line with movements in the UK economy.

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Foundation Trust. Credit risk arises from deposits with banks as well as credit exposures to the Foundation Trust's debtors. The Foundation Trust's cash assets are held with Barclays Bank plc and the Government Banking Service (GBS).

As set out in Note 16 - £29,325k (31 March 2020 £6,984k) of the Trust's cash deposits is held with the Government Banking Service (GBS). At the end of the financial year there were no sums held in the form of short term investments (2019/20: £nil).

An analysis of the ageing of receivables and provision for impairment can be found at Note 11.1 "Receivables". The majority of the outstanding debt relates to other NHS bodies, related parties and the Compensation Recovery Unit (CRU) mainly in respect of Road Traffic Act (RTA) income. Receivables from other NHS bodies and related parties is considered to be fully recoverable. A bad debt provision of 21.79% (2019/2020 21.79%) is made against the CRU (i.e. mainly RTA income) receivables.

Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups (previously Primary Care Trusts), which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds generated from its activities in addition to loans from the Department of Health and Social Care and Salix (see Note 13). Capital commitments at 30 September 2020 amounted to £5,115k (£2,263k at 31 March 2020) - see Note 17 and Finance Lease commitments amounted to £46k (£60k at 31 March 2020) - see Note 14. The NHS Foundation Trust is not, therefore, exposed to significant liquidity risks (however refer to Note 1 re Going Concern).

23 Financial Assets and Liabilities by Category

Set out below are the Group and Foundation Trust's financial assets and liabilities as at 30 September 2020.
There are no material differences between the book value and fair value.

	Loans and Receivables			
	Group 30 September 2020 £000	Foundation Trust 30 September 2020 £000	Group 31 March 2020 £000	Foundation Trust 31 March 2020 £000
Carrying Value of Financial assets (Note a)				
Cash	**39,496**	**30,108**	16,424	7,073
NHS and WGA Receivables	**3,957**	**3,957**	15,950	16,117
Other Receivables	**3,428**	**3,513**	5,113	5,113
Other Receivables - Charitable Funds	**319**	**0**	639	0
Total	**47,200**	**37,578**	**38,126**	**28,303**

Note a. The following are not considered to be financial instruments and therefore have been excluded from the above table (Group and Foundation Trust):

- Prepayments amounting to £2,415k (2019/20 £2,251k).
- Vat recoverable amounting to £514k (2019/20 £356k).
- PDC dividend recoverable amounting to £0k (2019/20 £98k).

	Other Financial Liabilities			
	30 September 2020 Group £000	30 September 2020 Foundation Trust £000	31 March 2020 Group £000	31 March 2020 Foundation Trust £000
Financial liabilities				
Trade and Other Payables				
NHS payables	**23,820**	**23,820**	8,420	8,420
Accruals	**6,421**	**6,421**	5,666	5,666
Capital payables	**3,402**	**3,402**	5,382	5,382
Other payables	**5,753**	**5,753**	10,203	10,203
Other payables - Charitable Funds	**13**	**0**	162	0
Total Trade and Other Payables	**39,409**	**39,396**	**29,833**	**29,671**
Other Financial Liabilities				
Borrowings excluding finance lease obligations	**13,288**	**13,288**	39,003	39,003
Finance lease obligations (Note 1)	**46**	**46**	60	60
Provisions under contract (Note 2)	**1,408**	**1,408**	1,445	1,445
Total Other Financial Liabilities	**14,742**	**14,742**	**40,508**	**40,508**
Total	**54,151**	**54,138**	**70,341**	**70,179**

The following are not considered to be financial instruments and therefore have been excluded from the above table:
- Other tax payables amounting to £4,303k (2019/20 £3,829k).
- Provisions not under contract amounting to £801k (2019/20 £742k).
- Receipts in advance amounting to £298k (2019/20 £348k).
- Deferred Income amounting to £549k (2019/20 £549k).
- PDC dividend payable amounting to £1,954k (2019/20 £0k).

Note 1 - Fair value is not significantly different from book value, in the calculation of book value, the expected cash flows have been discounted by the discount rate of 6.0% in real terms.

Note 2 - Fair value is not significantly different from book value, in the calculation of book value, the expected cash flows have been discounted by HM Treasury pension discount rate of plus 0.5% (2019/20 plus 0.5%) in real terms.

24 Third Party Assets

The Trust held £1k cash at bank and in hand at 30 September 2020 (£1k - at 31 March 2020) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

25 Losses and Special Payments

	2020/21 to 30 September 2020 Total number of cases Number	2020/21 to 30 September 2020 Total value of cases £000's	2019/20 to 31 March 2020 Total number of cases Number	2019/20 to 31 March 2020 Total value of cases £000's
1. LOSSES:				
Losses of cash due to:				
Overpayment of salaries etc.	0	0	0	0
Bad debts and claims abandoned in relation to:				
Private patients	17	1	0	0
Overseas visitors	9	28	5	1
Other	22	17	115	4
Damage to buildings, property etc. (including stores losses) due to:				
Stores losses (Note 1)	1	118	1	62
Other	0	0	0	0
TOTAL LOSSES	**49**	**164**	**121**	**67**
2. SPECIAL PAYMENTS:				
Ex gratia payments in respect of:				
Loss of personal effects	3	3	17	4
Personal injury with advice	6	41	8	18
TOTAL SPECIAL PAYMENTS	**9**	**44**	**25**	**22**
TOTAL LOSSES AND SPECIAL PAYMENTS	**58**	**208**	**146**	**89**

There were no cases exceeding £300k in the current year (2019/20 no cases).

These amounts are included on an accruals basis and exclude provisions for future losses.

Note 1. Stock losses relate to the monthly pharmacy stock write off due to wastage, obsolescence, and other factors.

26 Post statement of financial position events

On 1 October 2020, Poole Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust merged their operations into a single Trust, University Hospitals Dorset NHS Foundation Trust. On the same day, Poole Hospitals NHS Foundation Trust was dissolved.

Analysis of balances transferred to successor organisations (£000)

		Amounts transferred to:	
	£'000	£'000	£'000
Summarised final statement of financial position	PGH	UHD	Total
Non-current assets	148,279	148,279	148,279
Current assets	42,363	42,363	42,363
Current liabilities	(48,334)	(48,334)	(48,334)
Total non-current liabilities	(13,141)	(13,141)	(13,141)
Net Assets	129,167	129,167	129,167

27 Subsequent Event

On the 12 March 2021 the Trust received national guidance in relation to the treatment of DHSC outbound stock personal protective equipment (PPE). This requires the Trust to recognise both notional income and expenditure, provided by the DHSC in relation to this stock. The PPE was received from April to September 2020 and was fully utilised in the period.

The Trust recognises a notional income amount of £2,034,000 for the period in relation to the Personal Protective Equipment that was centrally procured and provided to the Trust during the COVID response. This is matched by notional expenditure as detailed in Note 3.1.

Poole Hospital NHS Foundation Trust

Poole Hospital, Longfleet Road, Poole, Dorset, BH15 2JB

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