NHS

University Hospitals Dorset

NHS Foundation Trust

Annual Report and Accounts 2022/23

We are caring one team listening to understand open and honest always improving inclusive

1 April 2022 - 31 March 2023

University Hospitals Dorset NHS Foundation Trust

Annual Report and Accounts 2022/23

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

Contents

Overview of the year

Welcome to our first annual report as your chief executive and chair here at UHD. We joined the trust in the first few months of 2022-23 year, and thank you for our TeamUHD welcome to everyone who works or volunteers at the trust, and for all that you have done over the last 12 months to care for our patients and look after each other. Nationally and politically there have been many changes over the last 12 months and for UHD having the future King visit the trust at the beginning of this year was a noteworthy highlight.

While it's a challenging time in the NHS and our hospitals have been very busy throughout the year, we are very proud of what UHD has achieved, although we recognise there is more to do to strive to be the best possible organisation that our patients and staff deserve. For all the pressures and challenges, it is important to celebrate our achievements and UHD's remarkable staff. We have instigated monthly staff awards and the first UHD annual awards will be held in June 2023. We are also proud to have won some national accolades with our outpatient assessment clinic at Beales which picked up three awards at the 2022 Patient Experience Network National Awards ceremony and being highly commended in the HSJ Awards.

In 2022/23 we continued to care for people with Covid with numbers decreasing over the year. Bed occupancy remained high, in some cases with people staying for longer than needed before being discharged into community care. This is improving but there is more to do in collaboration with the wider Dorset health and care system. Our emergency departments had a challenging time especially through winter and are now recovering so that we have reverted back to managing people through the departments within 4 hours. Importantly, we also improved the waiting time for planned operations. We no longer have anyone waiting longer than 104 weeks for an operation and have performed better than our trajectory on people waiting 78 weeks. Our plans are to ensure no one waits more than 62 weeks by the end of this year ahead. Our performance on caring for people with cancer has been good albeit we want it to be even better by continuing to improve.

For our staff, the pressure over the year was also shown in our sickness and vacancy rates which again are now recovering. It did mean that our use of temporary staffing was higher than we wish. The year will be remembered for the impact of industrial action which caused disruption to teams and to patients. The spirit of TeamUHD was maintained through the year we are determined to give ever greater focus to staff engagement, visible leadership and promoting the health and wellbeing of all colleagues. Our staff networks are an active voice for our staff and a force for positive change. Our Women's Network was launched and is developing incredibly in this first year. But we are not complacent as a very large organisation we know there is work to do to improve engagement, inclusion and morale.

As an organisation we delivered UHD's financial plans and as chair and chief executive we also reviewed our governance and risk management systems over the year and recruited into key leadership and non-executive roles.

We are delivering our once-in-a-generation building scheme on time and on budget, which includes work included in the national New Hospital Programme. Our new Poole operating theatres have just opened; and we were pleased to welcome Lord Markham to the "topping out" of the BEACH building at Royal Bournemouth Hospital recently, marking an important milestone in its construction.

We approved the quality improvement approach under our 'Patient First' programme and brought innovation through the creation of a Population Health and system committee to ensure we drive change in improve health inequalities and focus on prevention. We are passionate to build a truly integrated healthcare and social care experience for everyone in Dorset through the new Integrated Care System.

Our keystone partnership with Bournemouth University continues to go from strength to strength and we are developing more integrated roles, as well as working together on recruitment, retention, training and development. We are so fortunate that Dorset is a wonderful place to live and work and we are determined to use the strengths of our geography, amazing community spirit and economy to grow and attract talent.

This year we were visited by the CQC who rated our maternity services as 'inadequate' and our medicine and surgery services as 'require improvement' which culminated in Poole Hospital being rated as 'require improvement' while Royal Bournemouth maintained a 'good' rating. While this news was disappointing, the board and its committees are focussed on our improvement plans being delivered so that we can be the best that we can be.

We would like to say thank you to Paula Shobbrook and Philip Green who were acting chief executive and chair in the first few months of the year. Dr Alyson O'Donnell stepped down as chief medical officer and thanks to Dr Ruth Williamson for being acting CMO until Dr Peter Wilson started in April 2023. Sharon Collett became our new lead governor following her election. We would like to thank Sharon and all the governors for all their work through this year and the support they provide for our hospitals and local communities.

Looking forward, our focus is transforming our hospitals to create a planned care hospital and an emergency care hospital in the next two years with quicker diagnosis and high-quality services. UHD is a special organisation that pulls together to overcome challenges and we are incredibly proud of everyone in TeamUHD. With this spirit, our focus on partnership working and clear communication and robust governance of our strategy, we are determined to be stronger and resilient to the pressures we'll face together. By making UHD a better place to work with services that we seek to continuously improve, we are excited to deliver the best possible outcomes for the people of Dorset.

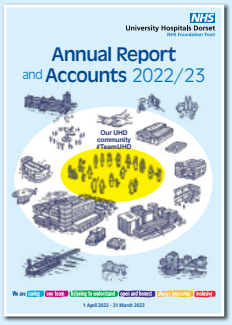
Thank you for your ongoing support.

Rob Whiteman CBE
Chair
28 June 2023

Siobhan Harrington
Chief Executive
28 June 2023

A year in pictures

Our cover image



In 2023, we collaborated with local artist Miroslav 'Mirek' Lucan to represent our UHD community on a page.

Mirek met with a broad range of staff from our hospitals, including patients, governors, and representatives from some of our partners, to establish who we are as a hospital trust, the community we serve, the people who work with us, the beautiful home we care for people in, and the partners we work closely with to provide healthcare, tackle inequalities, and promote healthier lives.

Mirek's signature pen and ink style can be seen in artwork displayed across Dorset - lining the walls of the underground passage to Bobby's in Bournemouth - as well as further afield.

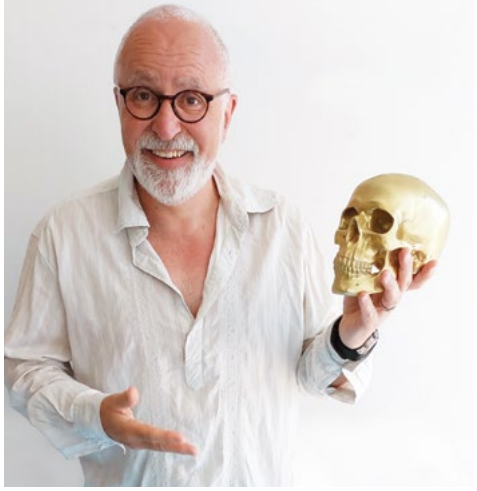
▲ HRH visits the Royal Bournemouth Hospital. His Royal Highness, the then Prince of Wales, visited the Royal Bournemouth Hospital in May.

Three is the magic number. Our outpatient assessment clinic based in Poole's Dolphin Shopping Centre picked up three national accolades during the year. ▶

◀ UHD named Veteran Aware trust. We were named a Veteran Aware Trust in recognition of our commitment to improving NHS care for veterans, reservists, members of the armed forces and their families.

National celebration for all-female surgical team. An all-female surgical team from UHD featured in a national art exhibition, celebrating the profession and people of surgery. ▼

Engaging with our communities. Our governors held a successful listening event at Corfe Castle in March on the latest developments taking place across our hospitals. ▶



▲ 'TB or Not TB?' Dr Matt Thomas, raising awareness of the condition among staff, healthcare professionals and at risk groups.

◀ Poole Hospital celebrates major milestone.Edward Argar MP, Minister of State for Health, joined us for the 'topping out' of our new theatre building.

About our trust

Located about 10 miles apart on the south coast, the Poole, the Royal Bournemouth and Christchurch hospitals are close to the New Forest in the east and the Jurassic coastline in the west. Also, part of our organisation is a Sterile Services Department (SSD) based at Alderney Hospital in Poole.

The hospitals merged to become University Hospitals Dorset NHS Foundation Trust on 1 October 2020. NHS Foundation Trusts are not-for-profit, public benefit corporations that were created to devolve decision-making from central government to local organisations and communities. We are still part of the NHS and strive to live up to its values, as set out in the Constitution.

We provide a wide range of hospital and community-based care to a population of 750,000 based in the Dorset, New Forest and south Wiltshire areas. This number rises over the summer months due to the influx of tourists which sees over 1 million visitors to our region annually. For some of our specialist services, we also serve the wider population across the whole of Dorset of nearly 1 million.

We monitor our performance against a range of performance objectives and targets, some of which are set by us, but others reflect national targets and those set by commissioners. Details of the performance on key performance, safety and quality objectives is set out in the performance analysis.

We provide a wide range of hospital and community-based care and at the end of March 2023 we employed over 9,000 members of staff, both clinical and non-clinical.

The trust's services include the major medical and surgical specialties, routine and specialist diagnostic services and other clinical support services, delivering the following annual activity:

- 169,000 Type 1 Emergency Department (ED) attendances
- 70,000 Non-elective admissions
- 14,000 Elective admissions
- 88,000 Day case treatment
- 589,000 Outpatient attendances
- 3,990 births
- Diagnostics and other services.

Poole Hospital

Poole Hospital 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 hospital 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.

Poole Hospital is being transformed to become the major planned care hospital for Dorset, providing high quality and timely planned (elective) care for patients. This includes a state-of-the-art theatre complex, inpatient and day case surgery, plus a wide range of outpatient and diagnostic services. A modern 24/7 Urgent Treatment Centre will be situated on the site, providing swift access to urgent care for patients with non-life-threatening conditions.

The Royal Bournemouth Hospital

The Royal Bournemouth Hospital is an acute hospital, which opened in 1992. It is recognised locally by its blue roof and is located on a large green field site close to the main roads that link with the New Forest, Southampton, Salisbury, Winchester, Christchurch and Poole.

The hospital has a 24-hour Emergency Department which sees around 60,000 patients a year, and a large Day of Surgery Admissions Unit (the Sandbourne Suite). A purpose-built Ophthalmic Unit is located on site as well as a state-of-the-art Cardiology Unit (the Dorset Heart Centre) and the award-winning orthopaedic service providing hip and knee replacements (the Derwent Unit). The Jigsaw Building is home to our HODU, a day unit for chemotherapy and supportive treatment for patients with haematological/oncological conditions and the Breast Unit. The building was opened by the Princess Royal in 2016.

The Royal Bournemouth Hospital also provides district-wide services for cardiac interventions, vascular surgery and urology. Outpatient clinics are provided for oral surgery, paediatrics, plastic surgery, ENT (ear, nose and throat), cardiothoracic and neurology.

Work is underway to create the new BEACH building as part of the plans for the major emergency care hospital for Dorset.

The new facilities include a new purpose-built maternity unit, purpose-built children's unit, enhanced emergency department and critical care unit, with capacity for up to 30 beds. As part of development plans, the multi-story car park will be enlarged, and a new pathology hub built to provide laboratory services for the whole of Dorset.

Christchurch Hospital

Christchurch Hospital provides a pleasant environment for rehabilitation and a range of outpatient services. An all-age rehabilitation service has been developed, particularly in the award-winning and newly refurbished Day Hospital. Most patients are elderly, reflecting the local population. There is an excellent infrastructure to support rehabilitation with superb physiotherapy and occupational therapy facilities.

Outpatient clinics have expanded over recent years and include gastroenterology, breast, oncology and medicine for the elderly. Dermatology and rheumatology outpatient services are also provided at Christchurch Hospital together with phlebotomy (blood taking) services, diagnostic services and specialist palliative care (the Macmillan Unit).

There are exciting plans for the future of Christchurch Hospital, including a charity funded new Macmillan Unit, as well as plans to create a senior living community, with affordable shared ownership housing.

Alderney

The Sterile Services Department (SSD) based at Alderney Hospital in Poole comprises the service within the hospital in which medical/surgical supplies and equipment are cleaned, prepared, processed, stored, and issued for patient care.

Satellite sites

The trust also has several satellite office sites including Yeoman's Way and Canford House. These offices are important hubs for many teams including human resources, business intelligence and IT. We also run an outpatient assessment clinic from Beales Department store in the Dolphin Centre in Poole.

How we are run

As a Foundation Trust, we are accountable to the Department of Health via NHS England, the regulator of NHS. As the regulator for health services in England - working through and in partnership with the Dorset Integrated Care Board (NHS Dorset) - it oversees the performance of the organisation, providing support where required, and has oversight of the trust, operating in line with the conditions of its provider licence. We are also accountable to local people through our council of governors and members. In addition, there is a large range of inspection and other regulatory bodies which govern the activities of the trust, including the Care Quality Commission (CQC).

The council of governors, which represents around 24,500 members, is made up of members of the public, staff and appointed governors. They ensure members' views are heard and are fed back to our board of directors, and members of the public are kept up to date with developments within the hospitals.

Our board of directors is made up of full-time executives, who are responsible for the day-to-day running of the organisation, and part-time non-executive directors. The executive directors work closely with the clinical leaders and managers throughout the hospitals in running the services. The board also works closely with the council of governors.

The trust is organised under three clinical care groups and a number of departments providing support services. We are an integral member of the Dorset Integrated Care System (ICS) working closely with a range of key health and social care partners to develop and deliver our services in partnership.

Trust values, mission and priorities

Underpinning our Mission are our UHD values. These guide how patients and visitors are treated, and also how staff treat each other. The values are embedded into every part of UHD, such as recruitment, appraisal and development.

The Values were drawn up by our staff, facilitated by our culture champion volunteers, following widespread listening and testing.

Our values underpin how we deliver our services and meet our objectives and help us to develop our UHD culture over many years. Our priority objectives are re-visited each year to ensure they remain aligned with the national and local strategies and represent the goals and ambitions of UHD.

This is a transition year as we take the Patient First approach to setting our objectives. Developing our strategic thinking and actions to deploy this includes agreeing our "True North" guiding objective, that allows us to organise around what's most important.

Agreeing our 'True North' and the associated priorities will take up the first half of 2023/24 as this needs to be widely discussed amongst staff, partners and of course our patients. The first stage is developing our plans around the five strategic themes using a structured approach - the 'A3 thinking' method.

The A3 method is a process to get to the root cause of what's stopping us excelling in this area, and then prioritising the most effective ways to improve (out of the many possible actions we could take). In effect this means doing a smaller number of more effective things, really well.

It will take time to listen and understand, and to find the best ways of continually improving in each theme area. The executive leads will engage and refine their plans for each strategic theme during the period. From there specific objectives for 2023/4 will be developed, and potentially also for the following year.

Our **vision**

To positively transform our health and care services as part of the Dorset Integrated Care System

Our **mission**

To provide excellent healthcare for our patients and wider community and be a great place to work, now and for future generations

Our **values**

We are caring We are one team We are listening to understand

We are open and honest We are always improving We are inclusive

The objectives will be tracked as part of our Board Assurance Framework. This allows greater continuity and certainty about what we're working on and allows objectives to better cascade down to teams and individuals within teams.

We will remain flexible in how we go about achieving these objectives, as we learn and listen, try different approaches and develop our improvement skills. What is key though, is the 'True North' and strategic objectives remain consistent, so as a team we are all pulling in the same direction.

Whilst we are developing our shorter list of priorities than previous years, we will ensure a focus on the "must do" objectives expected of us by our regulators, before March 2024.

The nationally set priority targets are:

- Deliver our quality strategy, and CQC action plans
- Reduce agency use to below 3.7%
- Meet the 4-hour safety standard for ED at 76%;
- No one waiting over 65 weeks for planned care
- Improve the cancer faster diagnostic standard
- Achieve our financial plan.

In addition to delivering the above and setting our objectives, there are **four enabling areas of major change** in the coming years:

1. **Our Patient First approach** using evidence based actions to improve on the quality of care, safety and reliability and to improve the working lives of staff.
2. **The One Team** value means this year, we will continue **to integrate teams**, rotas, policies and day-to-day work, so care delivered is the same regardless of location. This will include essential preparations for service reconfiguration, with some services moving in 23/24, and most in 25/26. Progress here makes teams and services stronger, and care for patients improves.
3. UHD is undergoing a major **reconfiguration** programme. This will create the planned hospital and emergency hospital from 2025. During 2023/24 we will see the continuation of significant building works as we build our improved, modern estate. These changes will deliver significantly better, safer and more sustainable care for the population. Of note, the Poole theatres, One Dorset Pathology, RBH catering, Wessex Fields link road and many other schemes will complete in 2023/24.
4. Digital systems underpin much of modern life, and healthcare especially so. An Electronic Patient Record (EPR) allows better information to guide clinicians, decisions and can improve care. During 2023/24, UHD will specify and tender for a new EPR, and develop a plan to migrate current systems. This is a major undertaking but done well can release time to care and improve patient outcomes.

Looking forward, 2023/24 is a year of opportunity to develop our Patient First approach of 'True North' and strategic themes, to get to root causes of problems and then update our plan and actions to develop the services we would want to be consistently in place for our family and friends.

This is a journey that includes delivery of our key enabling programmes that will set us up for success. Taken together this is an ambitious plan, that will require our upmost ability and resilience to see through but is the right thing for us to ensure we achieve putting our patients first.

Estates and capital developments 2022/23

Operational Works

The operational teams have continued to both maintain and improve the UHD Estate. There is no doubt, the impacts on the team generated by the huge amount of capital work, now including the New Hospital Programme (NHP) projects, has stretched resources. Incidents of estates breakdowns and system failures have kept the team busy, however the response has been immediate and effective.

The team has managed the installation of an entirely new nurse call system within the maternity unit at Poole. Interaction and support with the maternity team allowed a successful outcome working really closely with the maternity staff minimising any disruption. Having completed the call bell installation, the heating distribution network failed, due to old, corroded pipes, buried in ducts underground. The estates team had a temporary solution installed within 24 hours over a weekend, whilst also providing temporary heating for the mums and babies.

The end of March saw a serious flood in the Phillip Arnold unit caused by a failure of the main water system in the roof space. This happened in the early hours of a Saturday morning. The team worked with housekeeping and the clinical site team to ensure services for patients were not compromised and everyone was kept safe. A great example of estates, facilities, clinical teams coming together to resolve a very difficult situation.

The improvements in fire safety at Poole continues with 33 new fire doors being installed, £125,000 of compartmentation works being undertaken, all in active areas. Further door replacements are due to be completed in Q1 2023, along with fire alarm upgrades.

Reception and car parking

Reception and car parking at Poole hospital have transferred to Estates and work to align the services are underway. Car parking involves managing the supply and demand for spaces and encouraging alternatives means of travel. A particular issue in 22/23 has been the increase in contractors on site related to the major building works. With contractor numbers due to increase over the summer 2023 to in excess of 300 on the RBH site a compound has been created to be utilised for parking by the trades and contractors, relieving pressure on our own public spaces.

Staffing

Recruitment of suitably qualified and experienced staff continues to be challenging. Nationally estates and facilities have the highest ratio of staff working above 60 years of age and the lowest ratio of staff below 25. This creates very serious recruitment and retention issues in a sector that has been impacted by Brexit, other major construction projects, and wage differences with the private sector. Our overarching recruitment message is that this is a fantastic time to join the estates and capital teams at UHD with training, apprenticeships and further education courses all available to candidates.

Backlog maintenance

Investment in backlog maintenance was over £3.5m with £2m spent at Poole Hospital and £1.5m at RBH. Not all backlog work is visible to most staff, it includes:

- Major lift refurbishments
- Ventilation upgrades
- Increased resilience of power distribution systems
- Improved water quality and distribution

- Replacement doors
- Lighting and fire alarm improvements

Capital works

The impact of capital works is easy to see with the new theatres at Poole, the One Dorset Pathology building at RBH almost complete, and the BEACH building reaching its highest point. What is less visible is the huge amount of planning, design, programming and enabling work that has also been undertaken. The new ward building at RBH, requires relocation of the main kitchens, these are being developed in the Stour building which in turn has meant relocation of patient records, scanning and some admin spaces in 22/23.

New Poole theatres

BEACH Building under construction

One Dorset Pathology Hub under construction

- New Vacuum Insulated Evaporator (VIE) compound. This has increased the capacity of the oxygen storage in order to serve the Bournemouth site.
- Chapel/Wudu Prayer Space at Poole.

Our Poole hospital chapel has a prayer space and has recently installed Wudu Ablution facilities in the female and accessible toilets nearby.

Residences

The residential properties in Poole transferred back to UHD management in September 2022 having been leased to Sovereign Housing association for over 20 years. This increased the residential portfolio by 231 units including Parkstone House and houses in Longfleet road and Belle View. This additional accommodation allows us to support staff recruitment and retention particularly overseas staff settling in the UK.

Performance report 2022/23

Overview of performance 2022/23

The purpose of this overview is to provide a summary of the statutory context in which performance is measured and the level of operational performance during the year.

The overview of the year provides a statement from our chief executive outlining the performance of the trust over the period on pages 6-7. A description of the trust's history, purpose and activities is included in 'About our trust', on pages 9-10. The Going Concern section can be found on page 20, with a summary of performance on page 18. Information about social, community, anti-bribery and human rights issues including information about trust policies can be found in staff report from page 70 Details on principal risks and how these are managed is contained within the Annual Governance Statement from page 84.

How we oversee and measure performance

From 1 July 2022 Integrated Care Boards (ICBs) became responsible for the performance and oversight of NHS services within their integrated care system. The NHS Oversight Framework 2022/23 describes the approach to oversight and a set of performance metrics aligned to the 2022/23 priorities for the NHS.

Performance management is integral to our Corporate Governance structure. We have agreed a broad range of Key Performance Indicators (KPI's) which form the basis of our performance management framework. These KPI's are aligned to our Strategic Priorities and take into account all NHS constitutional patient access targets and statutory obligations, along with targets we have agreed locally to support the delivery of our overarching vision, enabling strategies and to address key areas of risk.

The trust's Integrated Performance Report (IPR) is owned by the executive directors and is presented to the board each month. This, along with a selection of other assurance reports agreed by the board as part of their annual business cycle, form the basis upon which executive directors are held to account for delivery against the 2022/23 priorities.

The trust's Integrated Performance Report (IPR) is owned by the executive directors and is presented to the trust board. It provides assurance regarding the implementation of our strategy and that the care we provide is safe, caring, effective, responsive and well led.

Our quality strategy is designed to support the achievement of the strategic objectives, but specifically ensures that safe, responsive, high-quality care is delivered through robust quality governance arrangements. Progress, achievements, actions and learning are monitored via the quality committee and trust quality governance and risk management framework. The quality committee is a subcommittee of the board and is chaired by a non-executive director. The quality committee receives regular reports from the clinical care groups and committee subgroups to ensure routine monitoring of processes in place to ensure patient and staff safety, maintain quality and optimise clinical effectiveness. During each year we also engage regularly with our external partners and stakeholders who all contribute to the quality monitoring process and identification of ongoing quality improvement goals.

Assurance for our council of governors is through a performance report, which includes a range of non-financial and financial performance information.

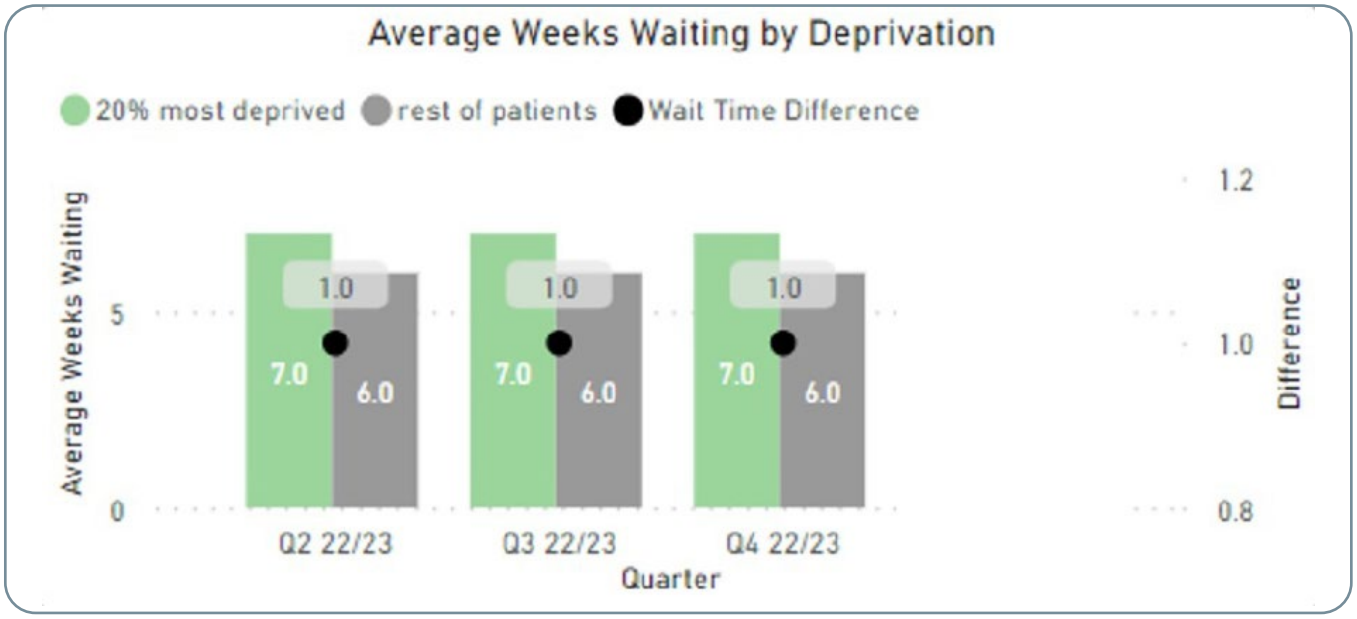
Both Poole and the Royal Bournemouth and Christchurch hospitals have historically had a track record for strong performance against national and local standards, and we are proud of the performance indicators we have achieved this period as University Hospitals Dorset, despite the challenges of a variable ongoing impact of COVID-19 linked primarily to the prevalence of the disease within the wider community and increasingly the impact of industrial action on service continuity.

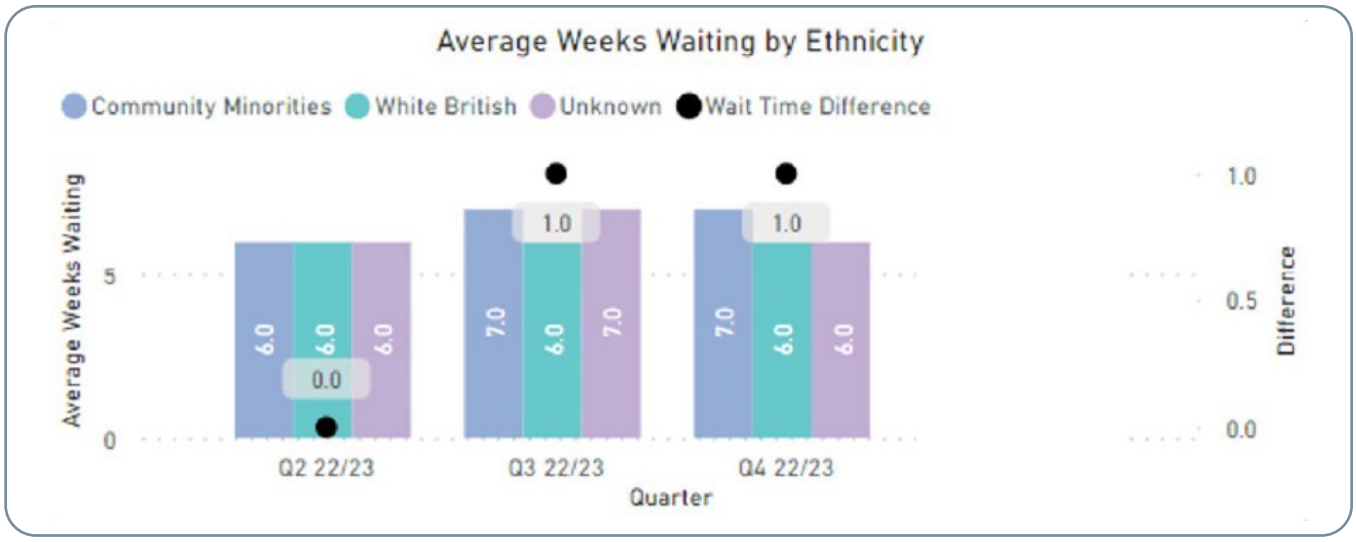
Risk of inequalities in the way care is delivered

Covid-19 has shone a light on inequalities and highlighted the urgent need to strengthen action to prevent and manage ill health in deprived and ethnic minority communities. Narrowing the gap in health inequalities and improving health outcomes has been a focus of work undertaken with other partners of the Integrated Care System.

Through the use of linked data systems across secondary and primary care we have gained a deeper insight into how patients are accessing elective, urgent and cancer care and to make observations about the areas where variations could arise in order to make robust efforts to avoid them.

Analysis of the elective waiting list as of March 2023 by Index of Multiple Deprivation (IMD) identifies that 8.2% of the trust's waiting list are patients living within the top 20% most deprived areas of Dorset by IMD. Where ethnicity is recorded 11% of patients are within community minority ethnic populations. In relation to both metrics the median time on an elective wait list shows limited statistical variance between the 20% most deprived and the rest of the population of Dorset or between people from community minority groups and people from white British populations. This provides evidence that in restoring services post the pandemic, inequalities in waiting times for people in the highest deprivation quintile and black and minority ethnic groups have not been exacerbated.





How we have performed during 2022/23

Summary of performance

Our performance against key metrics is shown below, including against wait times in our emergency department, diagnostic 6-week standard, referral to treatment targets and access standards in cancer services.

Across the period we continued to care for people with Covid with numbers decreasing over the year. Bed occupancy remained high, in some cases with people staying for longer than needed before being discharged into community care. This is improving but there is more to do in collaboration with the wider Dorset health and care system. Our emergency departments had a challenging time, especially through winter, with patient flow causing delays, but this picture improved later in the year.

The trust recognises that maintaining and improving performance standards in 2023/24 will present ongoing challenges. Teams remain committed to reducing waiting times for elective pathways and to improving patient flow throughout the hospital. The creation of the Integrated Care System provides further opportunities to explore new ways of collaborative working with system partners and to utilise the capacity and available resources within the Dorset system, to the benefit of local communities and patients.

Referral to treatment

In 2022/23 our waiting list from referral to treatment increased in size by 30% (16,732 patients). Referral levels increased post the pandemic more quickly than recovery of hospital activity levels. The waiting list however has shown an overall reduction in the most recent six months.

The national target is that at least 92% of patients should be waiting for treatment no more than 18 weeks from their referral to hospital.

Our performance has deteriorated from 61% in March 2022 to 53.8% at the end of March 2023. Our performance has been similar to that experienced across trusts in England.

The position that some patients wait significantly longer than the 18-week target has been an area of focus in the trust during 2022/23. UHD achieved the elimination of waiting times greater than 104 weeks in February 2023 and reduced waits greater than 78 weeks by 87%, to 96 at the end of March 23. The patients who typically wait longest for treatment continue to be those who require admission for surgical procedures in specialities such as colorectal surgery, upper gastrointestinal surgery and ear, nose and throat specialities. Continuation of the theatre improvement programme across UHD is a cornerstone for increasing elective capacity, efficiency, and productivity. Alongside this in May 2023, we will launch the new theatre complex at Poole, including the provision of a ‘barn’ theatre.

Diagnostic waiting times

Our diagnostic waiting times performance has been one of the best in the south west region reducing to 7% of patients waiting more than 6 weeks for a diagnostic test in March 2023. There has been an overall 56% reduction in the proportion of patients waiting greater than 6 weeks for a diagnostic test during 2022/23.

Cancer waiting times

The timeliness of urgent services for patients with suspected cancer has improved during 2022/23 with the trust delivering a level of performance in line with the national Faster Diagnosis Standard (75%) in March 2023, the first time since August 2021. The trust continues to benchmark well against the national average for the 62-cancer standard, although the level of performance achieved has declined overall between March 22 and March 23. In March 2023, the trust achieved 65.4% against the national 62-day target to provide a first definitive treatment to at least 85% of patients with cancer within 62 days of referral to hospital. We have faced a range of challenges in relation to cancer demand including a large increase in the number of referrals for investigations, an increase in the complexity of treatment required by new and existing patients and the impact of recent industrial action on treatment capacity.

Urgent and emergency care

Poole Hospital was one of the 14 trusts selected to take part in national field test of the proposed Urgent & Emergency Care Review of Standards (UEC CRS) in 2019 and Bournemouth joined the pilot following the trust's merger. This approach measured the mean time in the department. In 23/24 all trusts have been asked to return to the 4-hour access standard for emergency departments approach, which will require significant operational and cultural change. This states 76% of emergency patients should be seen, treated if necessary, and either discharged or admitted, within four hours of arrival in an Emergency Department (ED). The trust is working hard to identify areas which will support delivery of the 4-hour standard, enable monitoring against the standard and support staff education and cultural change.

Below is a summary of the key clinical performance indicators for UHD.

Performance Metric	National Target	UHD Performance 31 March 2023
Mean wait time in Emergency Dept (minutes)	<200 mins	358 mins
Diagnostic 6-week standard - % greater than 6 weeks	1%	7.0%
Referral to Treatment - % patients treated or discharged within 18 weeks	92%	53.8%
Referral to Treatment - number of patients waiting >78 weeks	-	96
Referral to Treatment - number of patients waiting >104 weeks	-	0
Referral to Treatment total waiting list	-	72,770
28-day Faster Diagnosis Standard	75%	75.4%
31-day Cancer Standard - % patients diagnosed being treated within 31 days	96%	97.1%
62-day Cancer Standard - % patients being seen 62 days from urgent GP referrals	85%	65.4%

In 2023/24 we are taking a number of key actions to support further recovery against these performance indicators, including delivery of increased diagnostics capacity through extension of our community diagnostics centres, promoting UHD as a great place to work to support recruitment in theatres and outpatients, demand management by promoting advice and guidance, patient initiated follow up pathways and widening the implementation of alternative pathways for cancer referrals such as the 'FIT<10' pathway and roll out of tele-dermatology, and improving the pathways which enable patients to be discharged from hospital in order to increase timely access to beds for those that need them. We will maintain a strong partnership arrangement with independent sector providers and partners across the Integrated Care Partnership to ensure that capacity in Dorset is used to reduce waiting times for patients with the greatest needs. These actions are overseen by two improvement programmes, the hospital flow improvement programme and the planned care improvement programme.

Going concern

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

The directors have a reasonable expectation that this will continue to be the case. International Accounting Standard 1 (IAS 1) requires the board to assess, as part of the accounts preparation process, the trust's ability to continue as a going concern. In the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern.

The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements, the board of directors have considered the trust's overall financial position against the requirements of IAS1. The trust has produced a financial plan for 2023/24 and has prepared a cashflow forecast to the end of March 2024. From the financial modelling undertaken the trust is expecting to have sufficient cash to cover its requirements for this period.

Based on the factors outlined above, the board of directors has a reasonable expectation that the trust will have access to adequate resources to continue to deliver the full range of mandatory services for the 12 months from the date of approval of the financial statements and fulfil any liabilities as they fall due. The directors consider that this provides sufficient evidence that the trust will continue as a going concern for the 12 months from the date of approval of the financial statements. On this basis, the trust has adopted the going concern basis for preparing the accounts.

Sustainability

The Health and Care Act 2022 removed any room for doubt about the ongoing high priority that the NHS places upon sustainability. Under this Act, it is explicit that the NHS must, in the course of its activities, respect both the Climate Change Act 2008 and the Environment Act 2021. As an NHS organisation, and as a spender of public funds, UHD has an obligation to work in a way that has a positive effect on the communities we serve and the environment which sustains them.

2022 saw the publication of the Green UHD Plan 2022 revised edition which sets out the trust's over-arching sustainability objectives including to have a net zero carbon footprint by 2040 for emissions we directly control.

Our Green UHD Plan sets out a broad and deep scope of work with a clear governance structure that ensures the whole organisation is embedding sustainability into day-to-day practices, decision making and strategies.

UHD recognises the scale of the challenges require deep organisation change in coordination with other stakeholders. Therefore, the sustainability managers for all Dorset NHS Trusts meet at least once a month to further develop strategy and progress joint initiatives. Dorset NHS partners launched two significant projects in collaboration during 2022. Firstly, Ecoearn, a sustainability staff engagement platform available to all staff, nudging sustainable behaviours at work and at home through gamification; rewarding staff with points for activities undertaken and a chance to compete for prizes. The prizes themselves include vouchers for local businesses with a sustainable approach. Secondly, Liftshare, a platform to assist staff to find matches for shared car commutes thereby reducing costs, emissions and congestion.

Net zero progress:

The NHS estates and facilities function are responsible for, and can influence, emissions from various sources, as set out in the Delivering a Net Zero NHS report. Carbon emissions are traditionally split into three scopes, depending on whether they are directly or indirectly within an organisation's control:

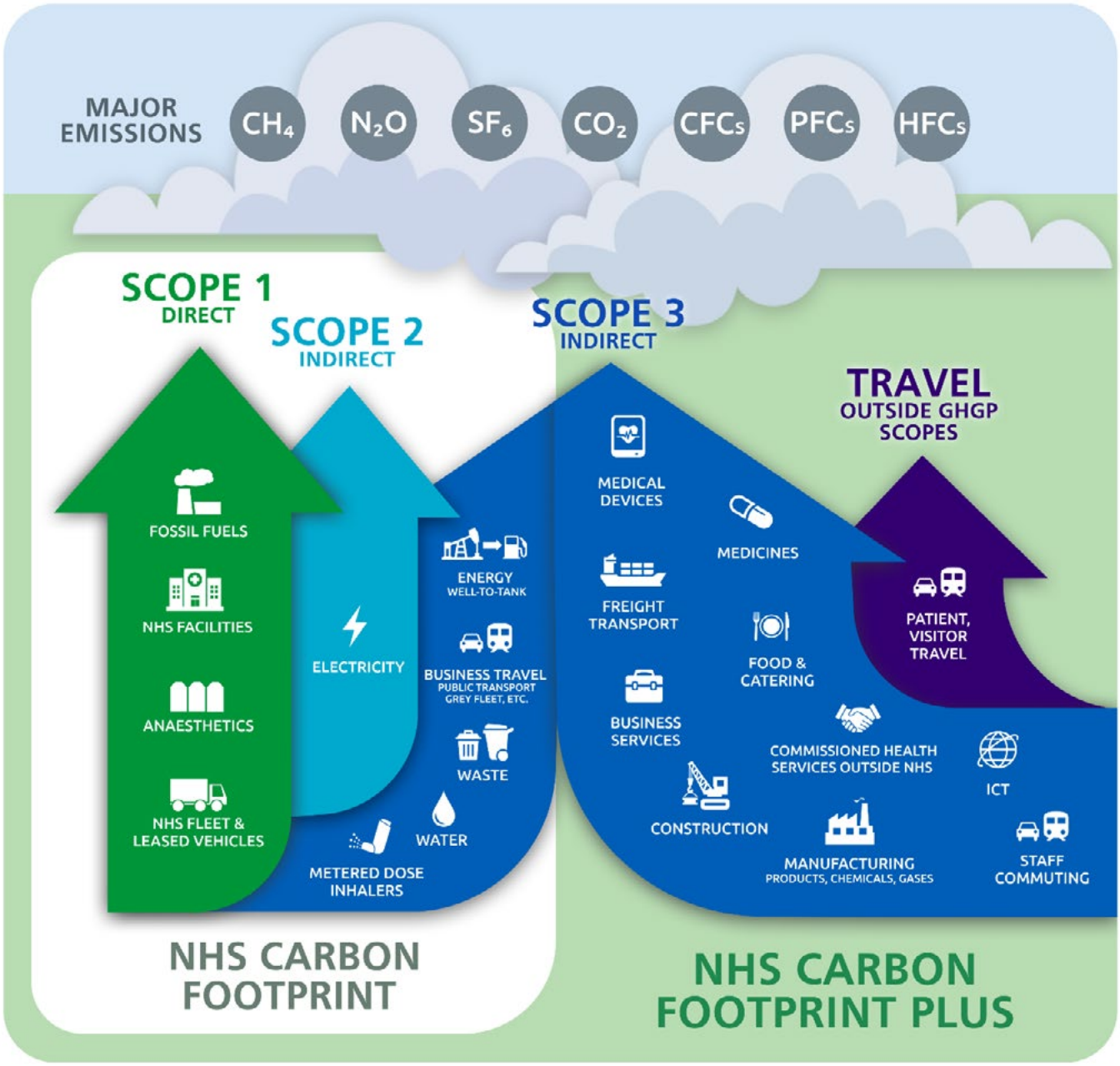
Scope 1 - All direct emissions from the activities of an organisation or under their control. This includes fuel combustion on site such as gas boilers, fleet vehicles, air-conditioning leaks, and anaesthetic gases.

Scope 2 - Indirect emissions from electricity purchased and used by the organisation. Emissions are created during the off-site production of the energy which is subsequently used by the organisation.

Scope 3 - All other indirect emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with procurement, business travel, waste, water, food and catering, and staff commuting (and more).

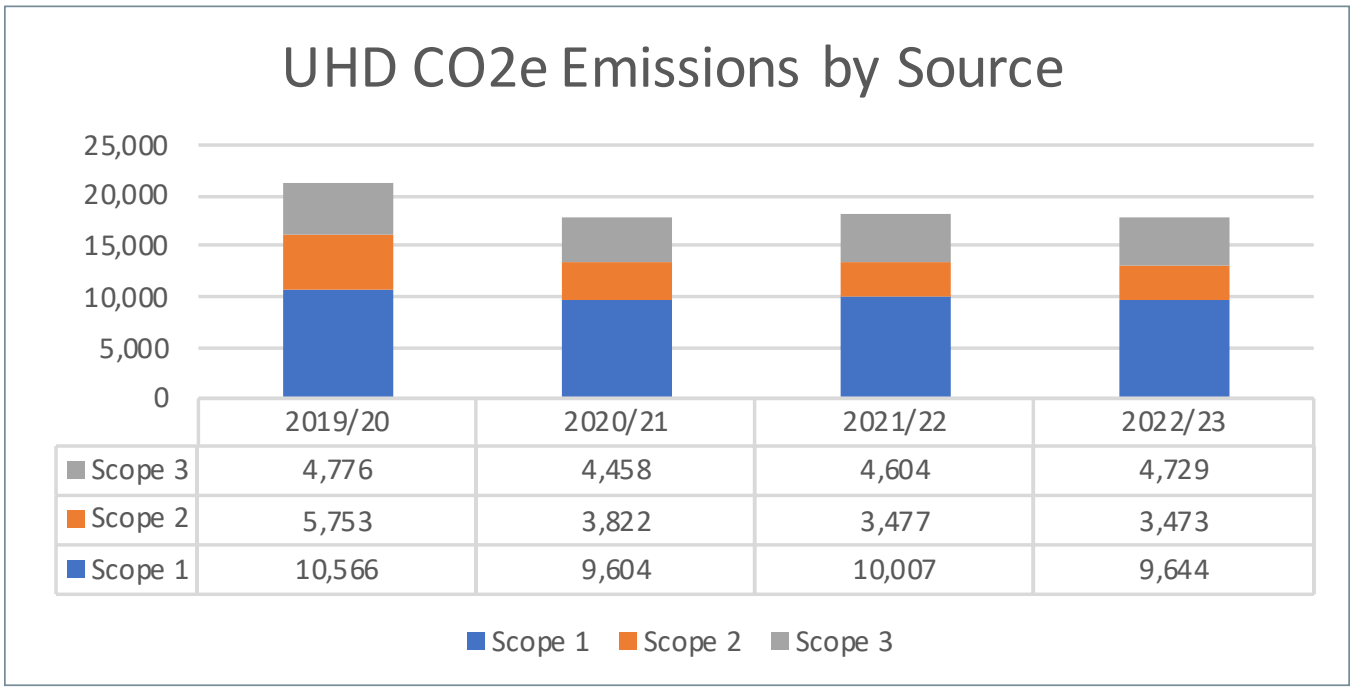
The 'Delivering a Net Zero' NHS report introduced the concept of the NHS Carbon Footprint and the NHS Carbon Footprint Plus. The report states that some 'scope 3' emissions are controlled directly by the NHS. This is called the NHS Carbon Footprint and includes water, waste, and business travel. The NHS can introduce policies to directly impact its emissions from these sources. The remaining 'scope 3' emissions are in those areas the NHS can influence: this is called the NHS Carbon Footprint Plus and includes medicines, ICT, and construction.

The graphic on the next page illustrates these scopes.


MAJOR EMISSIONS
CH_4
N_2O
SF_6
CO_2
CFCs
PFCs
HFCs
SCOPE 1
DIRECT
SCOPE 2
INDIRECT
SCOPE 3
INDIRECT
TRAVEL
OUTSIDE GHGP SCOPES
FOSSIL FUELS
NHS FACILITIES
ANAESTHETICS
NHS FLEET & LEASED VEHICLES
ELECTRICITY
METERED DOSE INHALERS
ENERGY WELL-TO-TANK
BUSINESS TRAVEL PUBLIC TRANSPORT GREY FLEET, ETC.
WASTE
WATER
MEDICAL DEVICES
MEDICINES
FREIGHT TRANSPORT
FOOD & CATERING
BUSINESS SERVICES
COMMISSIONED HEALTH SERVICES OUTSIDE NHS
CONSTRUCTION
MANUFACTURING PRODUCTS, CHEMICALS, GASES
ICT
STAFF COMMUTING
PATIENT, VISITOR TRAVEL
NHS CARBON FOOTPRINT
NHS CARBON FOOTPRINT PLUS

NHS England have recently performed a national carbon footprint exercise for the entire NHS in order to provide a more recent and accurate baseline for reporting and monitoring purposes. UHD has taken the opportunity to align with this new 2019/20 baseline period and the methodology used to calculate the carbon footprint. This new carbon accounting approach extends the scope of emissions that we are now able to measure and report on and increases our assessment of the 2019/20 trust emissions from 18,336 tCO2e to 20,987 tCO2e. This increase reflects the incorporation of emissions related to the hot water supply from a local heat network, refrigerant gas emissions, inhalers and more comprehensive capture of transport travel.

Trust (NHS Carbon Footprint) emissions broken down by Scope 1, 2 & 3:



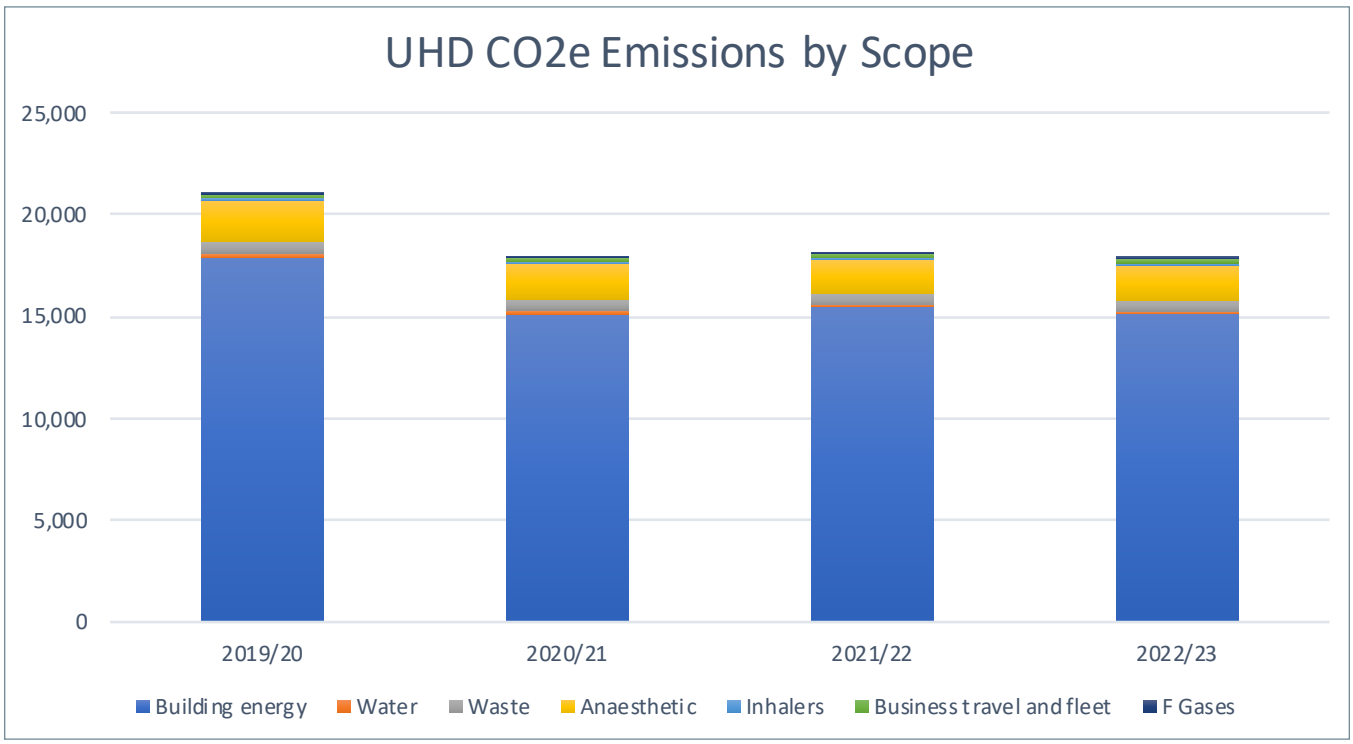
	2019/20	2020/21	2021/22	2022/23
Scope 3	4,776	4,458	4,604	4,729
Scope 2	5,753	3,822	3,477	3,473
Scope 1	10,566	9,604	10,007	9,644

Overall trust carbon emissions can be seen to fall sharply from 2019/20 into 2020/21 and 2021/22. This is in large part due to lower activity levels of planned procedures during the Covid pandemic. Over the past 12 months, operation activity has returned to pre covid levels and the trust estate has also grown with the return of buildings that had been leased out and the addition of new areas of build. Despite this growth in UHD's size and activity, overall trust emissions have remained significantly less than pre covid levels. Taken over this 3-year period, emissions have fallen by an average of just over 1000 tCO2e per year.

It should be noted that for the purpose of our annual reporting, the trust is following the Green House Gas Protocol for reporting and has adopted the BEIS carbon emissions factor for grid electricity - an average carbon emission factor for electricity supplied across the UK. In fact, the trust only purchases zero carbon electricity, helping to stimulate more investment in zero carbon supply.

The NHS has embarked on an ambitious programme to decarbonise the supply chain and we will in due course be able to monitor and report on a wider range of 'scope 3' emissions (NHS Carbon Footprint Plus).

The trust carbon footprint can be broken down by different sources offering further insights into relative weightings and progress. See following graph.



Recent net zero progress:
During 2022, UHD appointed consultants to assist with a trust wide decarbonisation strategy which has now been drafted and will inform the trust net zero journey and investment plans over the coming years. The trust has also applied to the Phase 4 Public Sector Low Carbon Skills Fund for significant grant funding to assist with further decarbonisation planning and technical designs through to RIBA stage 3.

The trust is proud of its progress to reduce GHG emissions from the use of anaesthetic gases. It has brought in policies to specifically target desflurane and ensure use is kept to a minimum. Usage is now below the 5% target set for 2022 and the trust will eliminate use of desflurane altogether by the 2024/25 financial year. The trust is also actively working to further reduce nitrous oxide emissions.

Inhalers also drive significant climate forcing emissions and Dorset NHS partners have amended the Dorset formulary to reduce prescriptions of the inhalers with the highest climate impacts whilst ensuring patients' needs are not compromised.

During 2021, UHD introduced a policy to only purchase zero or ultra-low emission vehicles for all Fleet requirements under 3.5 tonnes. In 2022, we followed up to match this policy for all salary sacrifice vehicles offered to staff. This is part of a wider effort to reduce emissions related to our staff and patient travel which also employs remote patient consultations, a lift share platform for staff, free bicycle maintenance for staff and on-site emissions tracking.

Under the £250m transformation and development plans for our hospital sites, UHD is targeting a combination of BREEAM Excellent and the new Zero Carbon Hospital Standard for all major building projects. This will form an integral part of the trust's roadmap to net zero carbon emissions.

Responsible use of resources:

Energy:
The info-graphic below shows trust consumption per m2 benchmarked against all NHS sites, and those trusts of a similar size - our peer group.

Energy Productivity	Data period	Provider value	Peer average	National value	National value method	Chart
Energy costs per m2 (£/m2)	2021/22	£30.78	£27.96	£34.70	Benchmark value	
Energy productivity (kWh per m2)	2021/22	406.87	426.97	497.00	Benchmark value	

The trust continues to demonstrate efficient use of energy overall. The areas of new build will help modernise the estate and bring new high standards of building performance. The trust decarbonisation pathway will involve further improvements to the building fabric of older parts of our sites, again improving energy efficiency as we go forwards.

The trust is developing plans to add to its existing solar PV arrays and greatly increase the renewable electrical energy produced onsite.

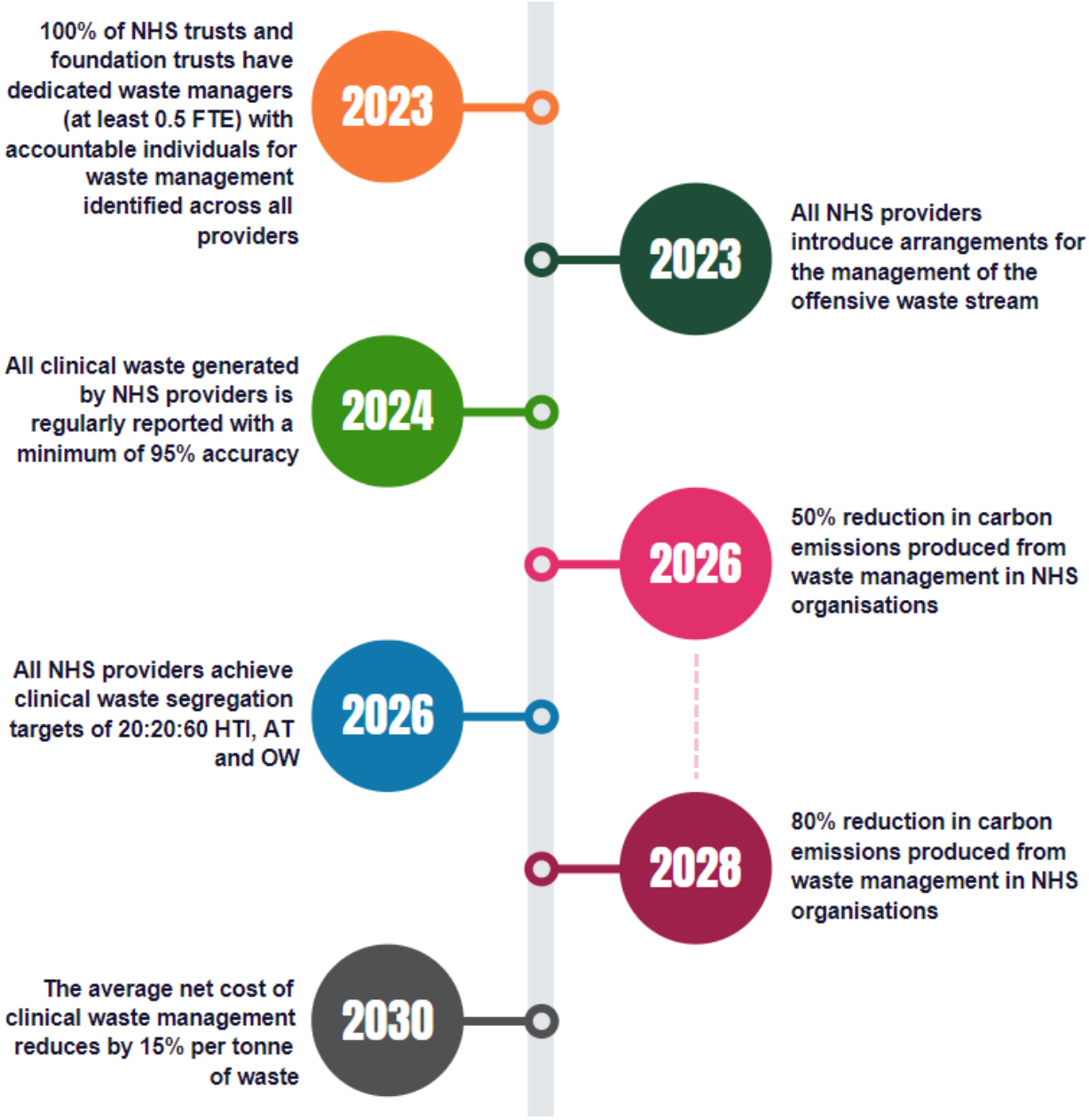
We are also investigating the option of geothermal hot water to help heat our main sites.

Water:
Growth in trust activity and additional covid related infection prevention control measures have resulted in increased water consumption over recent years as detailed below.

Financial Year	2019/20	2020/21	2021/22	2022/23
Water Consumption (m^3)	249,510	247,583	269,045	278,627

Whilst the trust expansion is expected to drive additional water consumption going forwards, a programme of extensive water metering will help the trust understand and manage water consumption to a higher degree of granularity which is anticipated to facilitate efficiency savings

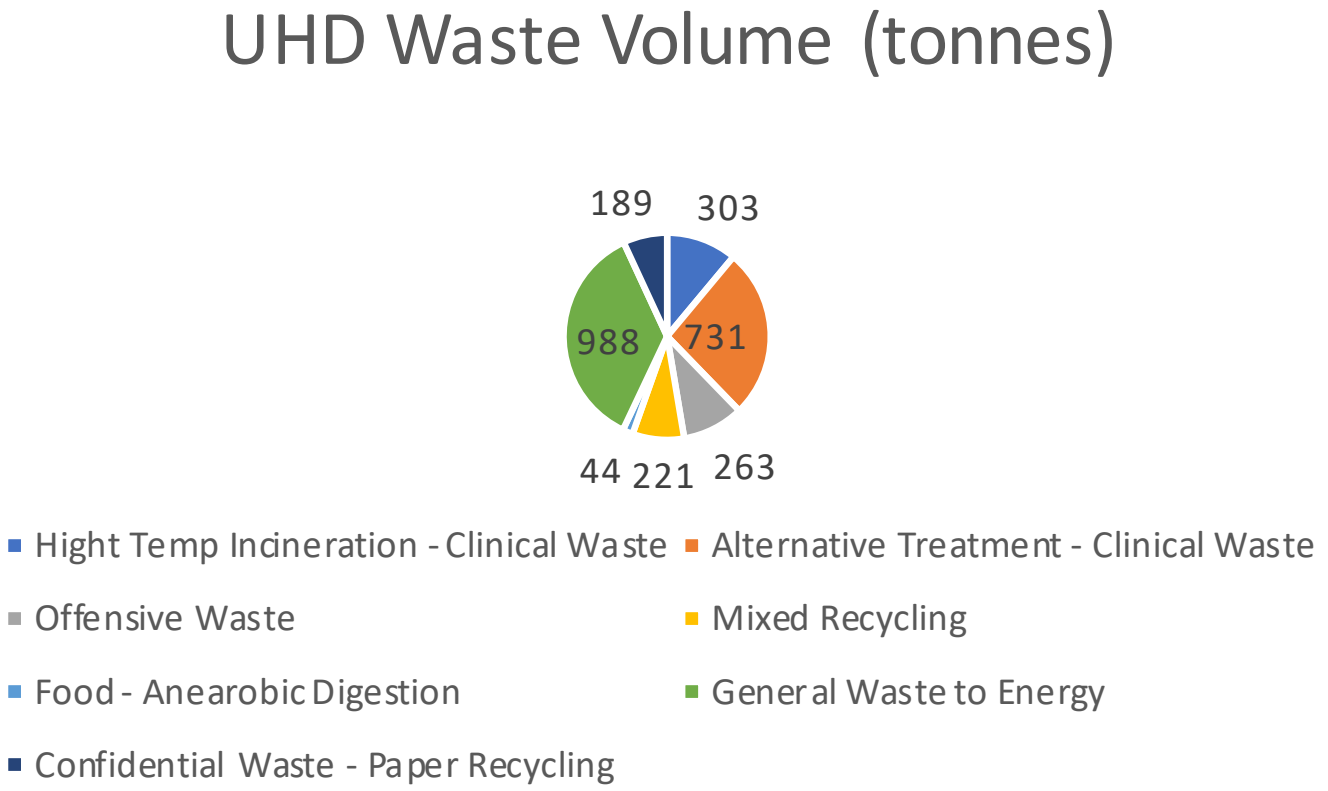
Waste:
The NHS is a significant producer of waste and is on target to accompany the national NHS waste strategy to reduce the impacts from waste.



The trust has initiated a number of projects to drive down both waste volumes, reduce the over processing of waste and improve waste segregation.

During 2022/23, the trust introduced new waste compacters for offensive waste, greatly reducing the transport needs and resulting carbon emission and waste handling costs. The trust also introduced novel cardboard compacters that are hopper fed, speeding up processing and overall capture volumes. We continue to feed all retired IT equipment to a specialist supplier that reconditions and sells the equipment, greatly reducing waste and cost to the trust. The food waste is now segregated on all sites so that all UHD food waste goes to a local anaerobic digester, helping to generate bio-methane fed into the national grid as a green fuel.

The split of trust waste streams can be seen in the pie chart below with volumes shown in metric tonnes.



UHD also monitors and works to minimise the use of finite resources.

The trust only purchases 100% recycled paper which is very effective at segregating this waste for further recycling in a dedicated waste stream.

Scrap metal is segregated by type and recycled, batteries are sent for metal recovery and WEEE waste is also processed for precious metal recovery.

Wherever possible, the trust is approaching 'waste' an opportunity to nurture circular economies, supplying both materials and expertise. The trust benefits with reduced costs and additional revenues.

For more information about the trust's Sustainability Strategy, please see the UHD Green Plan: www.uhd.nhs.uk/about-us/sustainability.

Financial performance

This section summarises the trust's financial results for the 2022/23 financial year. This provides a twelve-month reflection of the trust financial performance from 1 April 2022 to 31 March 2023.

Control total

The trust is regulated as part of a System Control Total agreed with NHS England regulator. The trust agreed a break-even Control Total position for the 2022/23 financial year. At 31 March 2023 the trust delivered a surplus of £188,000 against the break-even position. However, adjusting for items outside of the Control Total calculation and trust control, the trust delivered a deficit of £2.4 million.

Note a. 2022/23 Control Total	**2022/23**
	£'000
Deficit for the year (above)	**(2,393)**
Add back impairment	**2,073**
Add donated capital/fixed asset disposal adjustment	**29**
Control total surplus/(deficit)	**(291)**
Add BHT surplus	**479**
Control total surplus	**188**
Agreed control total surplus	**-**
Performance against control total	**188**

Income

Trust income during the twelve months to 31 March 2023 was £777 million. Of this, £719 million related to income for patient care activities with £135 million received from Clinical Commissioning Groups and £422 million from Integrated Care Boards. Dorset Integrated Care Board, formally Dorset Clinical Commissioning Group income received in 2022/23 was £516 million representing 66% of total trust income.

Other trust operating income was £58 million for the period.

Operating income	**Twelve months to 31 March 2023**
	£'000
Foundation Trusts and NHS Trusts	**4,540**
Clinical Commissioning Groups	**135,055**
Integrated Care Board	**421,586**
NHS England	**151,974**
Non-NHS patient income	**5,473**
Total Income from patient related activities	**718,628**
Other operating income	**58,325**
Operating income from continuing operations	**776,953**

Expenditure

Operating expenses on continuing operations during twelve months to 31 March 2023 equated £772 million. Of this, employee costs were £523 million, representing 68% of total expenditure.

Cash

As at 31 March 2023 the trust was holding a consolidated cash balance of £95 million, which is fully committed in support of the medium-term strategic reconfiguration programme.

Capital

The trust set a very challenging capital programme for the year. This has required very careful management, and as at 31 March 2023 full year capital expenditure amounted to £119 million against a plan of £118 million. The Acute Reconfiguration Programme and associated works accounted for £66 million of the 2022/23 capital programme spend.

Cost Improvement Programme (CIP)

Regulators require all Foundation Trusts to identify and deliver annual efficiency savings as part of the annual planning process. Cost savings of £31 million have been achieved for the financial year ending 31 March 2023.

Overseas operations

The Trust does not have any overseas operations.

Cost allocation and charging guidance issued by HM Treasury

University Hospitals Dorset NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Dorset system financial overview

Dorset NHS Integrated Care System (ICS) was issued a fixed financial envelope with a requirement to effectively plan and deliver services within this allocation for the population of Dorset.

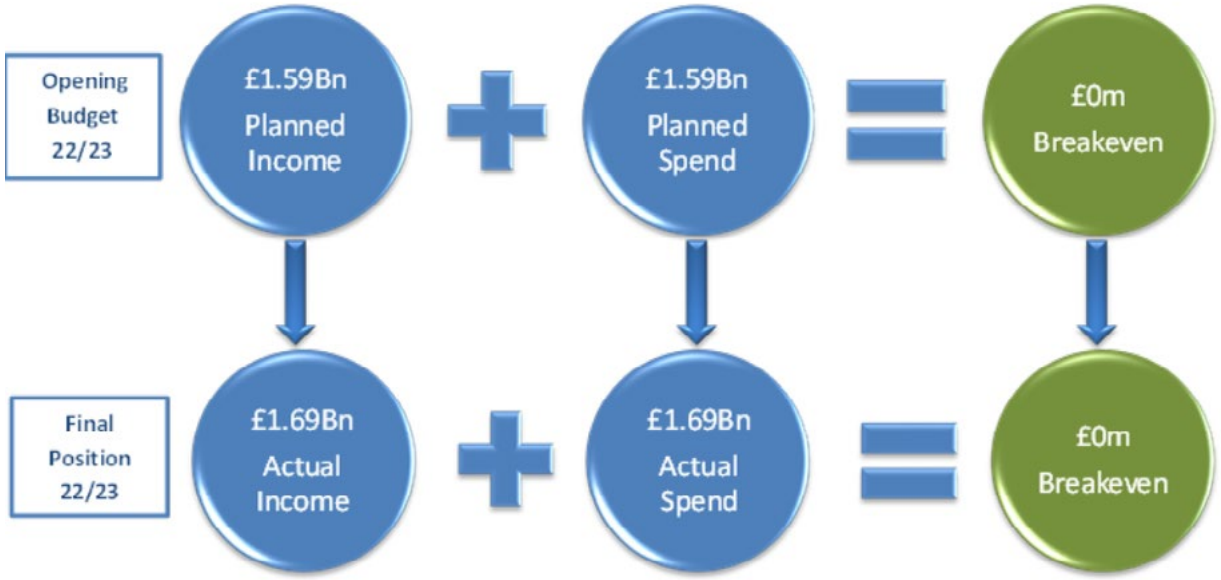
The NHS Dorset ICS comprises:

- NHS Dorset ICB
- Dorset County Hospital NHS Foundation Trust
- Dorset Healthcare NHS Foundation Trust
- South Western Ambulance Service NHS Foundation Trust
- University Hospitals Dorset NHS Foundation Trust
- GPs

These five NHS bodies received an initial allocation of £1.59bn for 2022/23 and were required to collectively plan within this envelope. NHS bodies in the Dorset ICS planned and achieved a break-even financial performance across the year, with a collective underspend of £0.4m against the final allocation.

In addition NHS ICS partners have successfully planned and delivered capital investment projects totalling £182.1m, in line with allocations from NHS England. The ICS also encompasses local authority partners, Dorset Council and Bournemouth, Christchurch and Poole Council, plus other partners such as those in the voluntary sector. The allocations made available for the financial periods ending 31 March 2023 are outlined in the following chart. During the reporting period, additional non recurrent funding was made available beyond planned income values in including funding for elective recovery plus additional targeted funding for specific projects and programmes from NHS England. This is referenced in the final income of £1.69bn when compared to the planned income of £1.59bn.

Financial Performance against plan



Better Payment Practice Code

Better Payment Practice Code	In Month		Year to Date	
Non-NHS Invoices	**No.**	**£'000**	**No.**	**£'000**
Total bills paid	14,281	66,199	119,762	436,873
Total bills paid within target	13,479	64,151	109,804	411,558
Percentage of bills paid within target	94.4%	96.9%	91.7%	94.2%
NHS Invoices				
Total bills paid	381	4,559	3,313	49,587
Total bills paid within target	330	3,325	2,928	35,493
Percentage of bills paid within target	86.6%	72.9%	88.4%	71.6%
Total				
Total bills paid	14,662	70,758	123,075	486,460
Total bills paid within target	13,809	67,476	112,732	447,051
Percentage of bills paid within target	94.2%	95.4%	91.6%	91.9%

Siobhan Harrington,
Chief executive
28 June 2023

Accountability report

Director's report

Introduction

The board of directors is made up of eight executive directors and nine non-executive directors including the chair. In addition, Professor John Vinney, vice chancellor of Bournemouth University holds the position of associate non-executive director of the trust.

Paragraph B.1.2 of the NHS foundation trusts: code of governance in effect on 31 March 2023 specifies that at least half the board, excluding the chair, should comprise non-executive directors determined by the board to be independent.

In the absence of any vacancies, the trust's board comprises of eight executive directors and eight non-executive directors and a non-executive chair. The importance of ensuring a strong independent voice on the board is supported by other provisions of the trust's constitution including no resolution being passed if it is opposed by all the non-executive directors present.

However, during the period, there were six non-executive directors excluding the chair, with a vacancy having previously arisen. The board reviewed the skills and expertise that would be beneficial for the trust in a new non-executive director and the trust's constitution was also amended to provide for an additional non-executive director. Following on from this, in April 2023, two new non-executive directors, Judy Gillow and Sharath Ranjan joined the trust's board.

The board has given careful consideration to the range of skills, expertise and experience required for the running of the trust and confirms that it has the necessary balance and the required range of skills, expertise and experience in place.

Key activities of the board

The board usually meets every month. The general duty of the board and of each director individually, is to act with a view to promoting the success of the trust so as to maximise the benefits for the members of the trust as a whole and for the public. The board is responsible for setting and delivery of the trust's objectives and wider strategy as well as monitoring the performance of the trust. Its role also includes managing the risks associated with delivery of the objectives and priorities that have been set in the context of the overall risk management framework for the trust. Much of the day-today work is done by the executive directors, who work closely with the medical, nursing and operational leads of each of the trust's three clinical care groups and the clinical directors, senior nurses, ward sisters/charge nurses and other leaders throughout the organisation. The board clearly sets out the financial, quality and operating objectives for the trust in the trust's strategic objectives and quality priorities. The board's business cycle provides oversight of adequate systems and processes being in place to measure and monitor the trust's performance and effectiveness, efficiency, economy and quality of healthcare delivery. Relevant metrics have been developed to assess progress and delivery of performance.

The board delegates areas of its powers to its committees (not including executive powers unless expressly authorised). There is a schedule of matters reserved for the board.

The board currently has six committees: audit committee; appointment and remuneration committee, charitable funds committee, finance and performance committee, quality committee, and people and culture committee. (The finance and performance committee's remit was expanded during the year to include areas formerly within the remit of the private patients' strategy committee, sustainability committee and transformation committee,

with those committees having been discontinued). Each committee has terms of reference and a governance cycle. The members of each committee are also members of the board.

The board also works closely with the council of governors to ensure that the interests of patients and the local community are represented.

The trust has various routes for resolving disagreements between the board and the council of governors were these to arise. These include the interventions of the senior independent director and the lead governor. There is also a formal position for resolving any disagreements which can be found at:

www.uhd.nhs.uk/uploads/about/docs/our_publications/Board_Policy_for_engagement_with_CoG_October_2020.pdf

Non-executive directors may have their tenure terminated by their own resignation, through the intervention of NHS England 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 chair and chief executive as required by Monitor's (now NHS England's) code of governance and this can be found on the trust's website:

www.uhd.nhs.uk/uploads/about/docs/our_publications/D23_Chairman_v_Chief_Executive_Resposibilities_Statement_October_2020.pdf

Board development and evaluation

The board has a programme of development seminars. During the reporting period, these have included: financial recovery, new hospitals programme, development of integrated care partnership, staff survey and workforce race equality standard, transformation and reconfiguration, agile governance (including with external support from the Good Governance Institute), board composition and skills mix, being a well led organisation (including with external support from BDO and Arden and GEM), elective care and board assurance framework.

An interim update in relation to the ongoing review of the board's effectiveness was presented at its meeting held in public in March 2023.

Each of the board committees evaluates its own performance annually, with the process focusing upon a review against the committee's terms of reference.

Appraisals of both non-executive directors and executive directors take place annually with objectives and development plans identified, some of which are incorporated into the broader board development programme. Executive director appraisals are led by the chief executive.

The council of governors agrees the process for the evaluation of the trust chair and non-executive directors and the outcomes are reported to and agreed by the governors. The senior independent director usually leads the trust chair's evaluation process. The former trust chair retired at the end of March 2022, with the current trust chair joining in July 2022. The current trust chair's appraisal will be led by the senior independent director.

Working with governors

The trust has a formal engagement document which was approved by the board in January 2021 and presented to the council of governors also in January 2021, that sets out how the board works with the council of governors to ensure the directors have an understanding of the views of governors and members. In addition, there is director representation at council of governors meetings. The document underlines the importance of frequent informal communication in building a positive and constructive relationship, also outlining formal communication methods and can be found on the trust's website.

Paragraph A.5.12 of the NHS foundation trusts: code of governance specifies that the directors must provide governors with an agenda prior to any meeting of the board, and a copy of the approved minutes as soon as is practicable afterwards. The paragraph also provides that in practice, it may be necessary to redact some information from private sessions of the board (part 2 sessions), for example, for commercial reasons.

Governors are provided with an agenda before all meetings of the board held in public and are provided with a copy of the approved minutes. Governors are provided with a briefing by the chief executive and/or trust chair on part 2 matters with an opportunity for them to raise questions. The trust considers that this provides the governors with more meaningful information than a redacted set of minutes may provide otherwise. This briefing is generally scheduled to take place on the day after the Part 2 meeting, providing the Governors with a timelier update than would otherwise occur through receiving minutes.

Members of the board of directors

Non-executive directors

Rob Whiteman CBE
Trust chair and chair of the appointments and remuneration committee

Date of appointment:
1 July 2022

Date of expiry:
30 June 2025

Rob has been chief executive of the Chartered Institute of Public Finance and Accountancy for the last eight years and has held many other executive and non-executive roles including chief executive of the London Borough of Barking and Dagenham and chief executive of the UK Border Agency. Rob also has significant experience of working with the NHS from his time as chair of North East London Sustainability and Transformation Programme (STP) and as a non-executive director and chair of audit at Whittington Health NHS Trust and Barking, Havering and Redbridge University Hospitals NHS Trust.

Philip Green
Vice chair (and acting chair from 1 April to 30 June 2022). Chair of the audit committee (until January 2023). Chair of the finance and performance committee (from January 2023)

Date of appointment:
1 October 2020

Date of expiry:
30 September 2023

Philip had 40 years' experience working in the aerospace and defence sector, firstly at BAE Systems PLC and then at Meggitt PLC, where he was a member of the board for 19 years. He retired from Meggitt at the end of 2019, 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.

Philip was appointed a non-executive director of Poole Hospital NHS Foundation Trust in 2015. He also served as vice chair of Poole Hospital NHS Foundation Trust and chair of its audit and governance committee. As of 1 October 2020, Philip became the vice chair of University Hospitals Dorset NHS Foundation Trust. From 1 April 2022 until 31 June 2022, Philip was acting chair of the trust.

Caroline Tapster CBE
Senior independent director. Chair of the quality committee (until January 2023). Chair of the population health and system committee (from January 2023)

Date of appointment:
1 October 2020

Date of expiry:
30 September 2024

Caroline 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 chair 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 and interim chair of Care Dorset.

Pankaj Davé
Chair of the transformation committee (until January 2023). Chair of the people and culture committee (from January 2023)

Date of appointment:
1 October 2020

Date of expiry:
30 September 2024

Pankaj is a chartered certified accountant and has worked internationally as a senior executive leading large multidisciplinary teams for a range of globally recognised businesses including BP, Amoco and Reliance Industries. He has broad business experience having worked in strategy, finance, commercial, business transformation, operations, enterprise systems implementation and planning and performance management roles. Pankaj was a board trustee with Kidney Research UK and ran his own strategy consultancy business. In his last role Pankaj worked for five years as an expat for Reliance Industries, India's largest company. As a direct report to the managing director, he led and successfully delivered a major group-wide transformation programme to integrate processes, systems, data and organisation and to design and implement the group management systems and governance framework.

He is a board trustee with the Royal College of Surgeons (Eng) where he chairs the audit and risk committee.

Judy Gillow MBE

Date of appointment:
3 April 2023
Date of expiry:
2 April 2026

Judy Gillow is a nurse by background and completed her training at Great Ormond Street Hospital in London. She has had a varied career across the NHS following this and has worked in a range of clinical settings in acute, community, primary care and education. Roles have included director of nursing and organisational development at University Hospitals Southampton and she has also been a non-executive director at Dorset County Hospital.

Judy has been a specialist professional advisor for the Care Quality Commission (CQC), supporting hospital inspections and will be involved with helping to oversee that the trust meets the needs of its patients by providing high quality clinical care.

John Lelliott OBE
Chair of the sustainability committee (until January 2023) and chair of the charitable committee

Date of appointment:
1 October 2020
Date of expiry:
30 September 2025

John had a long career in public service, retiring from The Crown Estate in September 2016 where he held the position of finance director. He also held positions of non-executive director and chair of the audit committees of the Environment Agency and the Covent Garden Market Authority (of which he is currently interim chair) and chair of the Natural Capital Coalition from July 2016 to July 2019.

He was chair of the ACCA Global Sustainability Forum and a member of The Capitals Coalition Board. He is a Trustee of JTL Training and The Centre for Sustainable Healthcare.

Prior to becoming a non-executive of the trust, he was on the board of Royal Bournemouth and Christchurch NHS Trust since 2016.

He is a qualified chartered certified accountant and a fellow of the Chartered Association of Certified Accountants.

Stephen Mount
Chair of the finance and performance committee (until January 2023). Chair of the audit committee (from January 2023)

Date of appointment:
1 October 2020
Date of expiry:
30 September 2023

Stephen is currently a member of the regulatory decisions committee of the FInancial Conduct Authority and of the determinations committee of The Pensions Regulator; and chairs the audit committee at Gama Aviation Plc. He also acts internationally as an expert witness on financial reporting, corporate governance and auditing matters. He was formally a member of the audit quality review committee at the Financial Reporting Council. Stephen retired as a senior partner with PwC in 2016, after almost 4 decades' auditing and advising FTSE, Fortune 500 and smaller/ midcap listed companies in the UK, USA, Europe and Asia across a wide range of industry sectors. He also served in a number of PwC management roles. He is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).

Sharath Ranjan

Date of appointment:
3 April 2023

Date of expiry:
2 April 2026

Born in Bangalore, India, Sharath completed a degree in hospitality from the University of Mysore and moved to the United Kingdom in 2004.

After several stints with Holiday Inn, British Gas, Centrica and Expleo (formerly SQS), he joined Hampshire Constabulary as a police constable in 2013. Sharath graduated from the Fast Track to Inspector scheme run by the College of Policing in December 2020. He is currently a chief inspector with responsibility for missing, exploited and trafficked children, youth offending and education partnerships across Hampshire and the Isle of Wight.

Sharath is committed to adopting an 'institutionally inclusive' approach to promote equality, diversity and inclusion and in particular tackling race discrimination and disproportionality in policing. He was the previous chair of the Black, Asian and Minority Ethnic support group - BEAM. Under his leadership, BEAM was shortlisted for 'Outstanding Diversity Network - 2022' award by Inclusive Companies - UK.

Sharath has been an independent governor on the board of governors for Solent University, Southampton since 2020 and is a member of Solent University's governance committee. He mentors students at the university and is passionate about making a difference to people at pace.

Cliff Shearman OBE

Chair of the workforce strategy committee (until January 2023). Chair of the quality committee (from January 2023)

Date of appointment:
1 October 2020

Date of expiry:
30 September 2025

Cliff was appointed as a non-executive director on 1 October 2020. He lives in West Hampshire and was a professor of vascular surgery/consultant vascular surgeon at University Hospital Southampton NHS Foundation Trust until 2016, where he was also associate medical director. He was head of the Wessex Postgraduate School of Surgery from 2007-2012. Cliff is now emeritus professor of vascular surgery at the University of Southampton.

Cliff has been heavily engaged in quality improvement work relating to people with diabetes to improve the quality of care and vascular complications which can result in foot and leg amputations. He has also maintained an active research programme throughout his career, leading various studies and publishing national and international guidelines, books, papers and articles. Cliff has represented the Vascular Society on the Royal College of Surgeons of England Council since 2015, and in April 2018 was elected as its vice-president. He is also a trustee of the Royal College of Surgeons. Cliff is a non-executive director on the board of Spire Health Care.

Executive directors

Siobhan Harrington
Chief executive
Date of appointment:
1 June 2022

Siobhan Harrington began her career in nursing posts in London, working at St Thomas's and Royal Free Hospitals. After programme management roles including at regional level, in 2004 Siobhan was appointed director of Primary Care Commissioning and lead nurse at Haringey PCT. She joined Whittington Hospital NHS Trust in 2006 moving through roles including director of primary care, acting director of nursing, director of strategy and deputy chief executive. She spent two years as programme director for the Barnet Enfield Haringey clinical strategy, and in 2017 was appointed chief executive of Whittington Health NHS Trust.

Paula Shobbrook
Chief nursing officer, deputy chief executive
Date of appointment:
1 October 2020

Paula has extensive executive and nursing leadership experience in acute hospitals, having worked in two executive nurse director roles prior to her appointment to the trust. She was director of nursing and midwifery at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust from September 2011 and executive chief nurse at Winchester and Eastleigh Healthcare NHS Trust where she worked for 10 years. Paula's nursing career includes clinical experience in acute medicine, cardiac and respiratory specialties and her areas of particular interest are quality governance, patient safety and leadership development.

Paula is a visiting professor at Bournemouth University, Faculty of Health and Social Sciences. She was appointed deputy chief executive for the trust in November 2020 and from 1 April 2022 to 31 May 2022, she was acting chief executive.

Karen Allman
Chief people officer
Date of appointment:
1 October 2020

Karen was appointed to the role of chief people officer for the trust on 1 October 2020, having previously been the director of human resources for the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust since 2007. She joined the NHS in 2003 from the Audit Commission where she was human resources director for district audit. Her early career was spent in the private sector in retail with Marks & Spencer and Fenwick before working in the city at the London Stock Exchange.

Peter Gill
Chief informatics and IT officer
Date of appointment:
1 October 2020

Peter was appointed to the role of chief informatics and IT officer for the trust on 1 October 2020 and had been director of informatics for the two preceding trusts since 2012. Peter remains responsible for the informatics service comprising of around 150 team members who make a significant contribution to the running of the Trust 24 hours a day, seven days a week. Over eight years in London, he held two previous director of informatics roles and was head of informatics at Salisbury Foundation Trust for two years. He has been working in the NHS continuously from 1991 where he

joined as a general management trainee. Peter is responsible for delivering the digital transformation strategy which aims to improve patient safety by implementing paperless healthcare and supporting all clinical and non-clinical services to realise the benefits of adopting digital solutions. He has a degree in mathematics and management sciences and a masters in leadership through effective human resource management.

Fiona Hoskins
Acting chief nurse
Date of appointment:
1 April 2022
Date of cessation:
31 May 2022

Fiona has an extensive operational nurse leadership history.
Having initially trained at Guy's Hospital London, she transferred post registration to Southampton where she worked across a broad spectrum of specialities acute medicine, emergency care, clinical education and cardiothoracic nursing, where she worked as an advanced practitioner before moving into senior leadership roles within the emergency pathway culminating in head of nursing.

In 2015 Fiona moved out of acute care taking the role of deputy director of quality at North East Hants and Farnham CCG before moving back into acute care as the deputy director of nursing at the Royal Bournemouth hospital in 2017.

Fiona was actively involved in the merger work for the trust and took a key leadership role in the trust's pandemic response.
Her interests include clinical governance, safeguarding, advanced nursing practice and population health.

Mark Mould
Chief operating officer
Date of appointment:
1 October 2020

Mark is the first chief operating officer for University Hospitals Dorset NHS Foundation Trust. He was previously the chief operating officer for Poole Hospital NHS Foundation Trust where he served for six years. Mark has extensive operational management experience across a number of other acute trusts across the country.

Dr Alyson O'Donnell
Chief medical officer
Date of appointment:
1 October 2020
Date of cessation:
4 November 2022

Alyson joined the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust as medical director in November 2016 before being appointed the role of chief medical officer for the trust. Alyson comes from a clinical background as a consultant neonatologist, having completed her professional training in both the UK and Australia.

She has extensive experience in the leadership and development of clinical networks and their impact on clinical care. She is passionate about using quality improvement to drive patient outcomes and the role of medical leadership in ensuring an embedded safety and learning culture.

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Pete Papworth
Chief finance officer
Date of appointment:
1 October 2020

Pete was appointed director of finance for the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust in 2017 and was subsequently appointed director of finance for Poole Hospital NHS Foundation Trust in 2019 in a joint role across both organisations. He led the financial aspects of the merger of the two organisations and was appointed as the first chief finance officer for University Hospitals Dorset NHS Foundation Trust on 1 October 2020. Pete is a chartered accountant with experience working across all aspects of the public sector locally, since joining the Audit Commission's graduate scheme in 2003.

Richard Renaut
Chief strategy and transformation officer
Date of appointment:
1 October 2020

Richard joined the NHS through the NHS management training scheme. He has worked in both primary care and tertiary hospital settings. Prior to his appointment as chief strategy and transformation officer on 1 October 2020, Richard was chief operating officer at the Royal Bournemouth and Christchurch Hospitals and has been a board executive since 2006.

Ruth Williamson
Acting chief medical officer
Date of appointment:
1 August 2022
Date of cessation:
31 March 2023

Ruth joined the Royal Bournemouth and Christchurch hospitals in 2014 from London where she had been lead clinician for radiology and honorary senior lecturer at Hammersmith Hospital. She has been involved in medical education throughout her career holding a number of leadership roles, as well as supporting a number of committees of the Royal College of Radiologists.

She was appointed as deputy chief medical officer of the trust in 2020.

She is a visiting professor at Bournemouth University and chairs the university partnership as well as representing the trust as a board member of Wessex Academic Health Science Network. She is committed to partnership working and is a clinical lead for the Wessex Imaging Network and for the Community Diagnostics Centres programme in Dorset bringing diagnostics closer to peoples; homes and tackling inequalities in healthcare.

Peter Wilson
Chief medical officer
Date of commencement:
1 April 2023

Peter joined the trust from his role as medical director for direct commissioning for the south west region of NHS England.

Peter's background is as a consultant in paediatric intensive care. He developed his clinical and leadership career at University Hospitals Southampton NHS Foundation Trust, where he held the role of divisional clinical director for women's and children's services and clinical director for the Southampton Children's Hospital. Nationally, he has also been clinical chair of NHS England's Programme Board for Women and Children.

Declarations of interest

Details of all the board members and their declarations of interest can be viewed on the trust's website:

www.uhd.nhs.uk/uploads/about/docs/our_publications/register_of_directors_interests_may_2023.pdf

In compliance with paragraph B.3.3 of the Monitor code of governance for NHS foundation trusts, no executive director holds more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity during the period under report. All of the non-executive directors are considered to be independent by the board.

Board meetings

The board meets every month generally on the last Wednesday of the month and at other times as necessary, with it meeting every other month in public. In the case of these bi-monthly meetings, the first part of the meeting is open to the public and members of the public are only excluded from meetings where the business to be transacted is confidential or there are special circumstances permitted by the trust's constitution. The discussions and decisions relating to items on the agenda of the board meetings are recorded in the minutes of the meeting. During the reporting period some of the meetings of the board were held virtually using Microsoft Teams, with others held face to face. Opposite each name in the table following is the number of board meetings at which that director was present and committee meetings at which the director was a member and was present. Also shown are the number of meetings that the director was eligible to attend. The number of meetings includes both scheduled and special/ extraordinary meetings.

Board of directors - Attendance at board and committee meetings - 2022-2023

Name	Title	Board of directors - Part 1 meetings	Board of directors - Part 2 meetings	Appointments and remuneration committee meetings	Audit committee meetings	Charitable funds committee meetings	Finance and performance committee meetings	Joint audit an finance and performance committee meetings	People and culture committee meetings	Private patients strategy committee meetings	Quality committee meetings	Sustainability committee meetings	Transformation committee meetings
Karen Allman	Chief people officer	6(6)	12(13)			3(4)			5(6)		10(12)		2(3)
Pankaj Davé	Non-executive director	4(6)	12(13)	2(2)	2(3)	1(1)	11(12)	1(1)	1(1)				3(3)
Peter Gill	Chief informatics and IT officer	5(6)	11(13)										2(3)
Philip Green	Non-executive director, vice chair	6(6)	13(13)	2(2)	4(4)	4(4)	3(3)	1(1)	1(1)		9(9)	2(3)	
Siobhan Harrington	Chief executive	5(5)	11(11)	2(2)						1(2)		1(3)	1(3)
Fiona Hoskins	Acting chief nursing officer	1(1)	1(2)						1(1)		2(2)		
John Lelliott OBE	Non-executive director	6(6)	12(13)	1(2)	5(5)	4(4)	11(12)	1(1)				3(3)	
Mark Mould	Chief operating officer	5(6)	10(13)				11(12)	0(1)	5(6)	0(2)	7(12)		2(3)
Stephen Mount	Non-executive director	5(6)	9(13)	1(2)	3(5)		9(9)	0(1)	5(5)	0(2)	3(3)	2(3)	
Alyson O'Donnell	Chief medical officer	0(2)	1(6)						1(2)		1(4)		
Pete Papworth	Chief finance officer	6(6)	12(13)			3(4)	11(12)	1(1)		2(2)		3(3)	
Richard Renaut	Chief strategy and transformation officer	6(6)	11(13)			1(3)	11(12)	1(1)		2(2)		3(3)	3(3)
Cliff Shearman	Non-executive director	5(6)	12(13)	2(2)	2(2)				5(5)	2(2)	12(12)		2(3)
Paula Shobbrook	Chief nursing officer, deputy chief executive	6(6)	12(13)						3(5)		10(10)		
Caroline Tapster CBE	Non-executive director, senior independent director	6(6)	12(13)			2(3)			5(6)		12(12)		2(3)
Rob Whiteman CBE	Non-executive director, Trust chair	5(5)	9(9)	2(2)									
Ruth Williamson	Acting chief medical officer	4(4)	6(7)						2(4)		6(8)		
Quorate		Y	Y	Y	Y	Y	Y	Y	Y	N*	Y	Y	Y

N.B. Table shows committee attendance of directors in their capacity as members; it does not reflect where a delegate may have been sent in place of a member nor where apologies may have been sent by a director.

*The meeting of the private patients strategy committee held on 13 July 2022 was inquorate; all matters that were originally to be presented to the committee for approval were endorsed at its meeting held in November 2022.

Audit committee

The trust's audit committee meets at least quarterly and representatives from the external auditor, internal auditors and the counter fraud service attend these meetings. The chief finance officer, chief nursing officer, chief medical officer, chief informatics and IT officer, and representatives from the risk management and clinical audit teams also attend meetings at the request of the committee chair. The committee members are all independent non-executive directors.

The audit committee's duties cover the following areas:

- reviewing the establishment and maintenance of an effective system of internal control, risk management and corporate governance
- appointing the internal auditors including the terms of appointment, agreeing the internal audit programme and reviewing the major findings and recommendations from internal audit reports to provide independent assurance to the board
- considering the appointment of external auditors, including the terms of appointment, before making a recommendation to the council of governors, reviewing the nature and scope of the audit as set out in the external audit plan and reviewing the reports of the external auditors
- reviewing the counter fraud programme and considering reviewing major findings from investigations
- monitoring management responses to internal audit, external audit and counter fraud reports and the appropriateness of implementation of management responses to internal and external audit work
- ensuring co-ordination between internal and external auditors
- monitoring that internal audit, external audit and counter fraud operate effectively
- reviewing the adequacy and effectiveness of the clinical audit system plan
- reviewing the annual report, annual governance statement and annual financial statements before making a recommendation to the board
- reviewing arrangements by which staff of the trust may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, fraud, bribery and corruption, clinical quality, patient safety or other matters.

Full terms of reference for the committee can be found on our website:

www.uhd.nhs.uk/about-us/our-performance/board-governance

During the year, the audit committee paid particular attention to the following areas: post transaction implementation plans, cost improvement programme, violence prevention and reduction standards, sustainable environment, Data Security and Protection (DSP) toolkit, Information Asset Owner (IAO) management, estates compliance (Poole), Healthcare Financial Management Association Sustainability, and rostering.

Internal audit

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

"In giving our opinion it should be noted that assurance can never be absolute. The internal audit service provides University Hospitals Dorset NHS Foundation Trust with moderate assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2022-23".

External auditors

The trust's external auditors to 31 March 2023 were and continue to be KPMG. Following a compliant tender process a contract for the provision of external audit services was awarded to KPMG for a 3 year term commencing 1 April 2023, with an option to extend by two further 12 month periods. This followed on from a Dorset-wide procurement process that was undertaken in 2022.

The role of external auditors is to provide an independent audit opinion on the annual report and accounts.

The key elements for the framework of assessment of effectiveness of the external audit process employed by the chief finance officer 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 committee, the board and the council of governors. Using this framework the chief finance officer is satisfied with the effectiveness of the external audit process.

The significant audit risks which were identified as part of the overall audit were:

- fraud risk - expenditure recognition
- valuation of land and buildings
- management override of controls
- revenue recognition.

These were agreed with the audit committee as part of the audit planning process, and KPMG reported on these areas as part of their year end report. No significant issues were identified.

The board 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 considered and annually assesses the effectiveness of its external auditors.

Counter fraud

The audit committee is responsible for appointing the counter fraud service and ensuring it has appropriate support within the trust to carry out its work. It reviews the annual counter fraud programme and the results of its proactive monitoring and awareness activities as well as considering major findings of investigations work including management's response to recommendations, highlighting any issues to the board if necessary.

Freedom to speak up (Whistleblowing)

The committee receives the trust's Freedom to speak up: raising concerns (whistleblowing) policy and under its Terms of Reference reviews the effectiveness of the arrangements in place for allowing staff to raise concerns.

Quality committee

Among the responsibilities of the quality committee are that it serves to provide assurance that the trust has an effective framework within which it can provide an effective patient experience by working to improve and assure the quality and safety of services it provides in a timely and cost-effective manner across a number of relevant areas.

Appointments and remuneration committee

The appointments and remuneration committee makes the executive appointments to the board and approves the remuneration of the executive. It is made up of the trust chair and non-executive directors of the board. The chief executive attends except when the appointment of the chief executive is discussed. The chief people officer 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.

The trust has an enabling accountability framework which illustrates some of the decisions to be taken by the board and those delegated to executive directors. **www.uhd.nhs.uk/uploads/about/docs/bod/2023/may/may-2023-bod-part1.pdf**

Charitable funds committee

The charitable funds committee is formally established as a committee of the trust as a corporate trustee of the University Hospitals Dorset NHS Foundation Trust Charity. The committee provides the trust board with a means of assurance regarding the administration of the charity in accordance with applicable legislation.

Finance and performance committee

Among the responsibilities of the finance and performance committee are reviewing material plans, proposals and out-turn in respect of financial and operational performance matters relating to the trust and reporting significant findings to the board. Regular reports on productivity and efficiency, operational performance and financial performance are considered. During the period the remit of the committee was expanded to include monitoring the implementation of the trust's sustainability plans, monitoring progress against and risks associated with the estates strategy and overseeing coordination of the trust's transformation agenda.

People and culture committee (formerly workforce strategy committee)

Among the purposes of the people and culture committee include providing input and recommendations to the board for the development of the people strategy and the equality, diversity and inclusion strategy and obtaining assurance on the implementation of such strategies.

Population health and system committee (from January 2023)

Among the principal purposes of the population health and system committee include obtaining assurance that the trust's delivery plan aligns with the Dorset integrated care board strategy and/or relevant aspects of the Core20 plus 5 approach; and obtaining assurance that significant strategic change programmes deliver a positive impact, where possible, on reducing variation in outcomes between groups with protected characteristics and other vulnerable groups and services are adapted to meet the needs of those groups appropriately.

Sustainability committee (until January 2023)

Among the responsibilities of the sustainability committee were ensuring a clear and ambitious strategy was set for sustainability.

Transformation committee (until January 2023)

Among the responsibilities of the transformation committee were establishing the strategy and methodologies for setting, monitoring implementation and assurance of benefits realisation for the transformation agenda for the trust.

Council of governors

In the absence of any vacancies, there are 27 members of the council of governors including seventeen elected public governors, five elected staff governors, and five nominated by partner organisations including, prior to its abolition in July 2022, NHS Dorset Clinical Commissioning Group. The council of governors' principal duties are:

- to hold the non-executive directors individually and collectively to account for the performance of the board
- to represent the interests of the members of the trust as a whole and the interests of the public.

The role and responsibilities of the council of governors are set out in the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012 and Health and Care Act 2022). These have been incorporated into the trust's constitution, standards of conduct and in the schedule of matters reserved for the board.

The council plays a role in helping to set the overall strategic direction of the organisation by advising the board 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 trust is committed to embedding transparency and accountability throughout. The trust recognises it has a specific responsibility to inform NHS England 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 England of any possible breaches. The council is chaired by the chair of the trust. Caroline Tapster, 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, compliance with the provider licence or welfare of the trust, which contact through the normal channels of trust chair or chief executive, failed to resolve or for which such contact is inappropriate. The council's lead governor and deputy lead governor were appointed in April 2022.

Governor training and development

All governors are provided with an induction and receive appropriate updates on the publications; "Your Statutory Duties: A Reference Guide for NHS Foundation Trust Governors" and the "Guide to Monitor for NHS Foundation Trust Governors".

The council is kept informed through governor briefings.

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

The trust chair 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

Elections were held in December 2022 with three governors elected in the Bournemouth constituency, four elected in Poole and the Rest of Dorset, three elected in the Christchurch, East Dorset and the Rest of England and a staff governor elected in the admin, clerical and management constituency. Appointments commenced from 1 January 2023. During the period

under report, two governor vacancies arose: one for the the staff admin, clerical and management constituency and the other for Christchurch, East Dorset and the rest of Dorset, with the new governors being appointed under provisions in the constitution as part of the elections held in December 2022. A staff governor vacancy in allied health professionals, scientific and technical arose and two governor vacancies arose in March 2023, one in the Bournemouth constituency and the other in Christchurch, East Dorset and the Rest of England, with such vacancies to be filled.

Governor expenses

During the period under report, governors claimed expenses totalling £122. Wherever possible governors will car share when attending events in the region.

Meetings of the council of governors

The council of governors meets four times each year, usually in February, April, July and October and at other times as necessary. The first part of the meeting is open to the public. During the reporting period some of the meetings of the council of governors were held virtually using Microsoft Teams, with others held face to face. During the months where there was not a council of governors' meeting, informal governor briefings were held with the chair, chief executive supported by members of the non-executive and executive team to ensure governors were kept up to date, their views and that of members heard. In addition, joint board and council of governors development sessions were held.

Against each name in the tables on pages 47 and 48 is shown the number of council of governor meetings at which the governor was present and in brackets the number of meetings that the governor was eligible to attend. The number of meetings includes both scheduled and special/ extraordinary meetings. The discussions and decisions relating to all items on the agenda of the council of governors meetings are recorded in the minutes of the meeting. Each governor has declared their interests at public meetings of the council of governors.

The register of interests is available on the trust's website.

Name	Role	Term of office	Constituency, class or appointing organisation	Part 1 meeting attendance	Part 2 meeting attendance
Rob Whiteman	Trust chair	N/A	N/A	3(3)	5(6)
Philip Green	Acting chair (1 April 2022-30 June 2022), vice chair			2(2)	2(2)
Judith Adda*	Governor	2 years	Bournemouth	2(3)	2(4)
Richard Allen*	Governor	2 years	Christchurch, east Dorset and rest of England	0(3)	0(4)
Jonathan Babb*	Governor	2 years	Bournemouth	1(2)	1(2)
Lesley Baliga	Governor	3 years	Poole and rest of Dorset	1(1)	1(3)
Daniel Banfield	Governor	3 years	Bournemouth	0(1)	1(3)
Mandi Barron	Appointed governor	3 years	Bournemouth University	2(2)	4(4)
Colin Beck**	Governor	3 years	Christchurch, east Dorset and rest of England	1(1)	1(3)
Robert Bufton	Governor	3 years	Poole and rest of Dorset	4(4)	7(7)
Marie Cleary*	Staff governor	2 years	Administrative, clerical and management	3(3)	3(4)
Sharon Collett	Governor, lead governor	3 years	Bournemouth	4(4)	7(7)
Pal Inder Dhariwal**	Governor	3 years	Bournemouth	1(1)	1(3)
Steve Dickens	Governor	3 years	Christchurch, east Dorset and rest of England	1(1)	1(3)
Beryl Ezzard	Appointed governor	3 years	Dorset Council	2(4)	5(7)
Richard Ferns*	Governor	2 years	Poole and rest of Dorset	1(3)	2(4)
Rob Flux	Staff governor	3 years	Administrative, clerical and management	0(1)	2(3)
Paul Hilliard	Appointed governor	3 years	Bournemouth, Christchurch and Poole Council	2(4)	5(7)
Marjorie Houghton	Governor	3 years	Bournemouth	4(4)	7(7)
Dimitri Illic	Appointed governor	3 years	UHD volunteers gGroup	0(0)	0(1)
Cameron Ingham**	Staff governor	3 years	Allied health professionals, scientific and technical	1(1)	0(1)
Susanne Lee	Governor	3 years	Christchurch, east Dorset and rest of England	1(1)	3(3)
Carole Light*	Governor	2 years	Christchurch, east Dorset and rest of England	3(3)	3(4)
Dr Andrew McLeod	Governor	3 years	Poole and rest of Dorset	4(4)	6(7)
Keith Mitchell	Governor	3 years	Bournemouth	4(4)	6(7)
Markus Pettit	Staff governor	3 years	Estates and ancillary services	1(4)	1(7)

Name	Role	Term of office	Constituency, class or appointing organisation	Part 1 meeting attendance	Part 2 meeting attendance
Dr Robin Sadler*	Governor	3 years	Christchurch, east Dorset and rest of England	1(3)	1(4)
Patricia Scott	Governor	3 years	Poole and rest of Dorset	3(4)	5(7)
Jeremy Scrivens	Governor	3 years	Christchurch, east Dorset and rest of England	1(1)	3(3)
Diane Smelt	Governor	3 years	Bournemouth	4(4)	7(7)
Carrie Stone	Governor	3 years	Poole and rest of Dorset	1(1)	2(3)
Kani Trehorn	Staff governor	3 years	Nursing, midwifery and healthcare assistants	3(4)	6(7)
David Triplow*	Governor	2 years	Poole and rest of Dorset	2(3)	2(4)
Michele Whitehurst	Governor, deputy lead governor	3 years	Poole and rest of Dorset	4(4)	7(7)
Sandra Wilson	Governor	3 years	Christchurch, east Dorset and rest of England	4(4)	7(7)

*Ceased to be a gocernor during the period, with replacement governor in post

**Ceased to be a governor, with vacancy at the end of the reporting period

All of the meetings of the council of governors during the reporting period were quorate, save for the Part 1 meeting held on 28 July 2022. Items discussed at such meeting were ratified at the meeting held in September 2022.

Attendance by directors at meetings of the council of governors		
Name	**Title**	**Part 1 meeting attendance**
Karen Allman	Chief people officer	4(4)
Pankaj Davé	Non-executive director	0(4)
Peter Gill	Chief informatics and IT officer	1(4)
Philip Green	Non-executive director, vice chair	2(4)
Siobhan Harrington	Chief executive officer	3(3)
John Lelliott OBE	Non-executive director	0(4)
Mark Mould	Chief operating officer	3(4)
Stephen Mount	Non-executive director	0(4)
Alyson O'Donnell	Chief medical officer	1(3)
Pete Papworth	Chief finance officer	3(4)
Richard Renaut	Chief strategy and transformation officer	2(4)
Cliff Shearman	Non-executive director	0(4)
Paula Shobbrook	Chief nursing officer, deputy chief executive	3(4)
Caroline Tapster CBE	Non-executive director, senior independent director	2(4)
Rob Whiteman CBE	Non-executive director, Trust chair	3(3)
Ruth Williamson	Acting chief medical officer	1(2)

Nominations, remuneration and evaluation committee

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 chair and non-executive directors. The committee is chaired by the trust chair, or in his absence, the vice-chair, and comprises three public governors, one appointed governor, and one staff governor.

- Sharon Collett public governor: Bournemouth;
- Carrie Stone public governor: Poole and rest of Dorset (from 10 February 2023);
- David Triplow public governor: Poole and rest of Dorset (until 31 December 2022);
- Sandra Wilson Public Governor: Christchurch, east Dorset, rest of England;
- Marie Cleary staff governor (until 28 October 2022);
- Rob Flux staff governor (from 10 February 2023)
- Cllr Beryl Ezzard. Appointed Governor.

The committee met five times during the period, with members having attended meetings as follows, each having been quorate:

Attendance by members at the nominations, remuneration and evaluations committee

Name	Meetings attended
Rob Whiteman, trust chair	4 (4)
Philip Green, vice-chair	2 (2)
Marie Cleary	3 (3)
Sharon Collett	5 (5)
Cllr Beryl Ezzard	4 (5)
Rob Flux	1 (2)
Carrie Stone	1 (2)
David Triplow	3 (3)
Sandra Wilson	5(5)

Karen Allman, chief people officer, was in attendance at three of the meetings of the committee.

Business of the committee during the period was as follows:

On 26 April 2022, the committee considered:

- A recommendation to the council of governors in relation to the trust chair recruitment
- Report on the committee 2021/22 for the trust's annual report
- Remuneration of the acting trust chair
- Governors' attendance at the council of governors meetings
- The committee's governance cycle

On 28 July 2022, the committee considered:

- The committee's terms of reference
- The outcome of the non-executive directors' annual performance evaluation to present to council of governors on its July 2022 meeting

On 20 October 2022, the committee considered:

- The committee's governance cycle
- Composition of the board: amendment to the trust's constitution
- Non-executive director recruitment
- Governors' attendance at the council of governors meetings

On 17 February 2023, the committee considered:

- The methodology for the trust chair and non-executive directors' 2022/23 performance evaluation
- Non-executive director appointments
- The committee membership

- Governors' attendance at the council of governors meetings

On 20 March 2023, the committee considered:

- Board skills mix, appointment of non-executive directors and re-appointment of non-executive directors.

In August 2022, a board development session was held at which the skills mix of non-executive directors was considered. Following this, in October 2022, an overview of the proposed non-executive director recruitment process and candidate brief prepared by Odgers Berndtson working with the trust (and whom the trust had engaged previously) was provided to the council of governors. A formal, rigorous and transparent appointment process was developed for the selection and recruitment of non-executive directors. Following shortlisting of the candidates, carousel sessions were held in January 2023, which included a governor group. The carousel sessions also included board members and external stakeholders. An interview panel was convened with shortlisted candidates. The panel also included governors and board members. The committee made recommendations to the council of governors in February 2023 and March 2023 to respectively approve:

- the appointment of Judy Gillow MBE and Sharath Ranjan, each for a term of three years and whose terms commenced in April 2023
- the appointment of and Dr Helena McKeown and Claire Whittaker OBE each for a term of three years and whose terms will commence from 1 October 2023
- the re-appointment of Pankaj Davé and Caroline Tapster CBE each for a term of one year
- the re-appointment of Professor Cliff Shearman OBE and John Lelliott OBE each for a term of two years.

Membership and engagement

The trust has a public constituency and a staff constituency. The public constituency has three classes. These are based on geographical areas that reflect the trust's general, emergency and specialist service catchment areas; local government boundaries; and population numbers. They are:

- Bournemouth;
- Christchurch, east Dorset and rRest of England;
- Poole and rest of Dorset.

The staff constituency is divided into five classes. They are:

- Medical and dental;
- Allied health professionals, scientific and technical;
- Nursing, midwifery and healthcare assistants;
- Administrative, clerical and management;
- Estates and ancillary services.

Anyone aged 16 and over who lives in England and is not employed by the trust can become a public member.

At 31 March 2023 the trust had 14,503 public members.

The staff and volunteer members total was in the region of 10,000. All staff 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 significantly higher in the older age groups.

Membership strategy 2021-2024

Our vision is to build on engagement with members in order to create an active and vibrant membership community, one that has a real voice in shaping the future of the trust and the services it provides. The strategy sets out three overarching aims.

- To build representative membership that reflects our whole population of Dorset and west Hampshire
- To improve the quality of mutual engagement and communication so our members are well informed, motivated and engaged
- To ensure staff members have opportunities to become more actively engaged as members.

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 governors are given the opportunity to communicate those opinions expressed by members directly or via the council's membership and engagement group.

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 to the council of governors.

The council reserves time 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 through the annual planning processes.

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

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 chair and chief executive of the trust. Members may contact the council of governors through the membership office by telephone **0300 019 8723**, in writing, by email **ftmembers@uhd.nhs.uk** or via our website **www.uhd.nhs.uk**. Membership application forms are available on our website.

NHS England's well-led framework

The board has approved an accountability framework that supports the delivery of the trust's vision and strategic objectives as a well led organisation that delivers safe, high quality patient care that is clinically and financially sustainable. Through the framework the board will oversee the creation of the leadership capabilities and leadership culture the organisation needs to possess in order to achieve its vision. The leadership model for culture change will be one of collective leadership which will be clinically led. The board will promote the development of an inclusive leadership and management style. The accountability framework also outlines the performance management framework.

Leadership capacity and capability is supported by management structures within the trust. A care group model has been established to strengthen the clinical leadership model and embedding the triumvirate/quadrumvirate approach through care groups. By triumvirate we mean the three way partnership between the manager, the lead nurse or allied health professional and the lead doctor. Within the women's, children, cancer and support services care group, the role of director of maternity is an integral part of a quadrumvirate at care group level. The triumvirate take a collective responsibility for the delivery of services in their area and this is replicated at all

leadership levels in the trust. Leadership development programmes are provided for each of these groups.

The Care Quality Commission (CQC) undertook an unannounced focused inspection of medicine and surgery on 28 and 29 September 2022. The CQC did not look at all key lines of enquiry and limited their review to a small number of areas where concerns had been raised in older peoples' services and surgery. The CQC rated Poole hospital's surgical services as requires improvement. The inspectors' assessment of the hospital's medical care services did not lead to a rating being issued. The service remains rated good. The CQC rated Poole hospital as requires improvement overall. It was previously rated good. No rating was issued for the Royal Bournemouth hospital. The hospital remains rated good overall. Similarly, the inspectors' assessment of the hospital's medical care and its surgery did not lead to new ratings being issued. Both remain rated good. The inspection did not lead to trust-wide ratings being issued. The CQC recognised that the trust was aware of a number of these issues and noted that in a number of areas organisational and system wide actions were in place to mitigate risk.

The CQC also inspected maternity services at Poole hospital in November 2022 as part of a national maternity inspection programme. The inspection at Poole hospital was a short notice announced focussed inspection looking at safe and well led key questions. The CQC rated Poole hospital's maternity service inadequate. The service was previously rated good (January 2020).

The trust has developed detailed action plans to address the issues highlighted in the report. The quality committee will ensure oversight of effectiveness of the actions identified. The trust is also part of the Maternity and Neonatal Safety Improvement Programme

CQC reviews are an important part of the quality approach at the trust and we will continue to use these to understand where further improvements to our services can be made.

Further information is included in the annual governance statement on page 84.

Remuneration report

Annual statement on 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 appointments and remuneration committee.

The appointments and remuneration committee reviews the remuneration arrangements for executive directors. It is made up of the chair of the board (who is also chair of the committee) and all the non-executive directors of the board (named above).

The chief people officer 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.

Remuneration committee

The appointments and remuneration committee reviews the remuneration arrangements for executive directors. It is made up of the chair of the board and all of the non-executive directors of the board. The chief people officer attends except when his/her own performance and/or salary is discussed to act as expert advisor on personnel and remuneration policy. The chief executive attends only to provide advice on issues concerning the performance of executive directors and salary ranges and for decisions relating to the appointment or removal of the chief officers, except when his/her own performance and/or salary is discussed. The chief finance officer attends to advise on the financial implications of remuneration or other proposals except when his/her own performance and/or salary is discussed.

The appointments and remuneration committee met on two occasions, with such meetings having been attended by the chief executive and the chief people officer, during the reporting period:

- 26 October 2022: to consider and approve secondment arrangements and the recruitment of a new chief medical officer (including remuneration proposals); to approve the very senior manager pay award, following on from the national pay increase recomendation, to consider and endorse amendments to the trust's constitution; and to review and endorse the continuation of the committee's terms of reference.
- 3 January 2023: to approve the appointment to the post of chief medical officer; and to endorse the committee's updated terms of reference.

The appointments and remuneration committee is a committee of the board with responsibility for:

- overseeing and taking forward the process for the appointment/removal of the chief executive;
- overseeing and taking forward the process for the appointment/removal of the chief officers of the trust;
- setting the remuneration allowances and other terms and conditions of office for the trust's chief officers.

The committee reviews national pay awards for staff within the trust alongside information on remuneration for executive directors at other trusts of a similar size and nature, taking account of overall and individual performance and relativities, with the aim of ensuring that remuneration of executive directors is fair and appropriate. Through this process any salary above the threshold of £150,000 used by the Civil Service is considered and approved by the committee with a view to attracting and retaining individuals to support the trust in delivering its vision and meeting its objectives.

Senior manager remuneration											
Name	Title (as at 31 March 2023)	Twelve months ended 31 March 2023					Twelve months ended 31 March 2022				
		Salary and Fees	Other Remuneration	Total Salary and Fees	Pension Related Benefits	Total	Salary and Fees	Other Remuneration	Total Salary and Fees	Pension Related Benefits	Total
		(bands of £5000)	(bands of £5000)	(bands of £5000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(bands of £5000)	(bands of £5000)	(bands of £2,500)	(bands of £5,000)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Members											
Mrs S Harrington	Chief executive (see note 1)	185-190	-	185-190	145-147.5	330-335	n/a	n/a	n/a	n/a	n/a
Professor P Shobbrook	Chief nursing officer (see note 2)	160-165	-	160-165	22.5-25	185-190	150-155	-	150-155	50-55	205-210
Mr P Papworth	Chief finance officer (see notes 3 and 4)	155-160	-	155-160	10-12.5	165-170	155-160	-	155-160	175-180	335-340
Mrs K Allman	Chief people officer (see note 5)	145-150	5-10	155-160	-	150-155	140-145	-	140-145	135-140	280-285
Mr M Mould	Chief operating officer (see note 6)	145-150	5-10	155-160	2.5-5	160-165	140-145	-	140-145	65-70	210-215
Mr R Renaut	Chief strategy and transformation officer	145-150	-	145-150	37.5-40	185-190	135-140	-	135-140	35-40	175-180
Dr R Williamson	Acting chief medical officer (see notes 7 and 8)	125-130	10-15	140-145	45-47.5	185-190	n/a	n/a	n/a	n/a	n/a
Mr P Gill	Chief informatics and IT officer	135-140	-	135-140	35-37.5	170-175	135-140	-	135-140	60-65	195-200
Professor A O'Donnell	Chief medical officer (see notes 8 and 9)	115-120	-	115-120	n/a	115-120	210-215	-	210-215	-	210-215
Mrs F Hoskins	Acting chief nursing officer (10)	20-25		20-25	n/a		n/a	n/a	n/a	n/a	n/a
Non-Executive Members											
Mr R Whiteman CBE	Trust chair (see note 11)	40-45	-	40-45	Not applicable	40-45	n/a	n/a	n/a	n/a	n/a
Mr P Green	Vice chair (see note 12)	25-30	-	25-30	Not applicable	25-30	15-20	-	15-20	Not applicable	15-20
Mr P Davé	Non executive director	15-20	-	15-20	Not applicable	15-20	15-20	-	15-20	Not applicable	15-20
Mr J Lelliott OBE	Non executive director	15-20	-	15-20	Not applicable	15-20	15-20	-	15-20	Not applicable	15-20
Mr S Mount	Non executive director	15-20	-	15-20	Not applicable	15-20	15-20	-	15-20	Not applicable	15-20
Professor C Shearman OBE	Non executive director	15-20	-	15-20	Not applicable	15-20	15-20	-	15-20	Not applicable	15-20
Mrs C Tapster CBE	Non executive director	15-20	-	15-20	Not applicable	15-20	15-20	-	15-20	Not applicable	15-20

Notes:

1 Mrs S Harrington was appointed as chief executive on 1 June 2022

2 Professor P Shobbrook was interim chief executive from 1 April 2022 to 31 May 2022

3 Mr P Papworth joined the NHS pension scheme on 1 November 2022

4 Mr P Papworth was interim deputy chief executive from 1 April 2022 to 31 May 2022

5 Mrs K Allman opted out of the NHS pension scheme on 1 October 2022 and opted into the trust pension recycling policy

6 Mr M Mould opted out of the NHS pension scheme on 1 October 2022 and opted into the Trust pension recycling policy

7 Professor A O'Donnell stood down from chief medical officer on 4 November 2022 and Dr R Williamson became interim chief medical officer on 1 August 2022

8 Dr R Williamson received a clinical excellence award reported in Other Remuneration

9 Professor A O'Donnell was not an active member of the NHS pension

10 Mrs F Hoskins was interim chief nursing officer from 1 April 2022 to 31 May 2022

11 Mr R Whiteman CBE was appointed as chair on 1 July 2022

12 Mr P Green was acting chair between 1 April 2022 and 30 June 2022

13 There are 22 governors (including staff governors) at the end of March 2023, of which 3 received expenses during the period amounting to a total of £122

14 Senior Management Remuneration does not include any annual related bonus or long term related bonuses for the period

15 No individual above received any significant benefits in kind for the period

16 No other categories in the proforma single table are relevant to the trust for the period

17 Of the 16 senior managers in the table above, there were £2,006 expenses claimed for the period

Summary of policy in relation to duration of contracts, notice periods; and termination payments:

- All executive directors are required to provide six months' written notice, however in appropriate circumstances this could be varied by mutual agreement.
- All senior managers appointed on a permanent contract are required to provide three months' written notice.
- There are no payments for loss of office other than standard NHS redundancy provisions.

Total remuneration pay ratios

NHS Foundation Trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's 45 workforce. The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £225k-£230k (2021-22, £225-£230k). This is a change between years of 0%. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. For employees of the trust as a whole, the range of remuneration in 2022-23 was from £20k-£25k to £225k-£230k (2021-22, £15k-£20k to £225-£230k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 5%. 0 employees received remuneration in excess of the highest-paid director in 2022-23.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

Table illustrating pay ratio disclosure and derivations

	2022/23	2021/22	Percentage Change
Band of highest paid director (annualised)	225 - 230	225 - 230	0.0%
Median total remuneration	34,359	32,131	6.9%
Ratio	6.6	7.1	-6.7%
25th percentile total remuneration	26,282	23,275	12.9%
Ratio	8.7	9.8	-11.7%
75th Percentile total remuneration	43,749	41,582	5.2%
Ratio	5.2	5.5	-5.5%

Senior manager pension entitlements									
Name	Title (as at 31March 2023)	Real Increase in Pension at retirement age	Real Increase in Pension Lump Sum at retirement age	Total accrued Pension at retirement age at 31 March 2023	Total accrued Pension Lump Sum at retirement age at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	Employer's contribution to stakeholder pension
		(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	£'000	£'000	£'000	£'000
Mrs S Harrington	Chief executive (see note 1)	7.5-10	12.5-15	70-75	165-170	1,396	155	1,656	27
Professor A O'Donnell	Chief medical officer (see note 2 and 3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr R Williamson	Interim chief medical Officer (see note 3)	2.5-5	0-2.5	60-65	135-140	1,245	62	1,365	20
Mr P Papworth	Chief finance officer (see note 4)	0-2.5	0-2.5	30-35	65-70	416	3	458	9
Professor P Shobbrook	Chief nursing officer	0-2.5	0	65-70	160-165	1,267	33	1,361	22
Mrs K Allman	Chief people officer (see note 5 and 6)	0-2.5	0	30-35	100-105	0	N/A	22	11
Mr M Mould	Chief operating officer (see note 7)	0-2.5	0	65-70	135-140	1,211	8	1,285	11
Mr R Renaut	Chief strategy and transformation officer	2.5-5	0-2.5	50-55	90-95	768	33	865	20
Mr P Gill	Chief informatics and IT officer	2.5-5	0	55-60	105-110	976	40	1,067	20
Mrs F Hoskins	Acting chief nursing officer (see note 8)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Notes:

1 Mrs S Harrington was apponted as chief executive on 1 June 2022
2 Professor A O'Donnell was not a active member of the NHS pension during the reporting year
3 Professor A O'Donnell stood down from chief medical officer on 4 November 2022 and Dr R Williamson became interim chief medical officer on 1 August 2022
4 Mr P Papworth joined the NHS pension scheme on 1 November 2022
5 Mrs K Allman CETV for the 1995 scheme is not applicable
6 Mrs K Allman opted out of the NHS pension scheme on 1 October 2022
7 Mr M Mould opted out of the NHS pension scheme on 1 October 2022
8 Unable to obtain pension information for Mrs F Hoskins from NHS pensions

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's 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 from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated as 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.

Siobhan Harrington
Chief Executive
28 June 2023

NHS oversight framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

The trust has been placed in segment 3 by NHS England. This segmentation information is the trust's position as at 20 May 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: **www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation**.

Information on activities taken in relation to this rating can be found in the annual governance statement on page 84.

Private patient income

The trust has met the requirement in section 43(2A) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) which requires that the income from the provision of goods and services for the purpose of the health service in England must be greater than its income from the provision of goods and services for any other purposes

Board's responsibility for the Annual Report and Accounts

The directors are required by the National Health Service Act 2006 (as amended):

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

The accounts must provide a true and fair view and comply with International Financial Reporting Standards and the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2022/23. In preparing the annual report and accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the annual report and accounts on the going concern basis, unless it is inappropriate to do so.

The board has reviewed the Annual Report and Accounts, having taken into account all the matters considered by the board and brought to the attention of the board during the reporting period. The board consider that taken as a whole the Annual Report and Accounts, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. In the case of persons who are directors as at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the trust's auditor is unaware
- each of the directors has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the trust's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Siobhan Harrington
Chief executive
28 June 2023

Learning from complaints and concerns

Under the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, the trust must prepare an annual report each year. This must specify the number of complaints received, the number of complaints which the trust decided were well-founded and to summarise the subject matter of complaints, any matters of general importance arising from those complaints, or the way in which they have been managed and any actions that have been or are to be taken to improve services as a consequence of those complaints.

Complaints made to the trust are managed within the terms of the trust's complaints procedure and national complaint regulations for the NHS. The overriding objective is to resolve each complaint with the complainant through explanation and discussion. It is important to note that the two trusts had different approaches to managing and investigating complaints prior to the merger. The number of formal complaints received and investigated can be seen below.

Formal complaints received	2022/23	2021/22	2020/21	2020/21	
			Q3 and 4	Q1 and 2	
	UHD	UHD	UHD	RBCH	PH
	984	491	447	169	75

The trust has implemented an early resolution of complaints process, the data for these types of complaints was not included in the complaints figures previously however this is now part of the formal complaint process and reported as such. Early resolution is intended to provide a quicker response within 10 working days.

The focus of the Patient Advice and Liaison Service (PALS) is to resolve concerns informally with front line staff. The table below shows that there has been an increase in the number of concerns being raised informally over the past year.

PALS concerns	2022/23	2021/22	2020/21	2020/21	
			Q3 and 4	Q1 and 2	
	UHD	UHD	UHD	RBCH	PH
	5530	5200	2347	1072	741

Complaint outcomes

At the close of the complaint investigation the investigation and findings are reviewed, and an outcome reached as to whether the complaint is upheld (well-founded), partially upheld or not upheld. The % of complaints upheld and not upheld can be seen in the Table below, together with a comparison against national average.

Outcome of complaints	2022/23		2021/22	2020/21		2020/21		
				Q3 and 4		Q1 and 2		
	UHD	Nat Ave	UHD	UHD	Nat Ave	RBCH	PH	Nat Ave
Upheld	18%	26.8%	14%	21%	24.6%	14%	20%	28%
Partially upheld	38%	37.5%	34%	29%	37%	33%	39%	35%
Not upheld	44%	35.7%	52%	50%	38.4%	53%	41%	37%

Subjects of complaints

Every complaint is assessed at the outset and the key themes extracted. The themes, (total of 1896 for the 984 complaints) based on the DOH submission dataset can be seen in the table below; recorded by number and % of total.

Any emerging themes or hotspots are identified and escalated to the directorate or care group triumvirate or to the relevant director, depending on the seriousness, complexity and/or frequency of complaint theme monitored. Complaints can have more than one theme assigned to them for example the complaint could be about the clinical treatment and communication and administration.

Complaint themes	2022/23	2021/22	2020/21 Q3 and 4	2019/20 Q1 and 2	
	UHD	UHD	UHD	RBCH	PH
Clinical treatment	664 (35%)	373 (44%)	138 (32%)	103 (38%)	61 (30%)
Access to treatment	94 (4.9%)	2 (0%)	23 (5%)	14 (5%)	1 (0.5%)
Admission, discharge, transfers	97 (5.1%)	37 (4%)	27 (6%)	13 (5%)	7 (4%)
Delays & cancelled appointment	153 (8%)	16 (2%)	12 (3%)	4 (2%)	3 (2%)
Communication	435 (22.9%)	1 (0%)	92 (21%)	41 (15%)	37 (18%)
Consent	27 (1.4%)	211 (25%)	1 (0%)	1 (0.5%)	1 (0.5%)
End of life care	21 (1.1%)	6 (0.5%)	3 (0.5%)	0 (0%)	2 (1%)
Facilities	0 (0%)	0 (0%)	3 (0.5%)	1 (0.5%)	5 (3%)
Integrated care	0 (0%)	7 (0.5%)	2 (0.5%)	0 (0%)	0 (0%)
Patient care	90 (4.7%)	0 (0%)	97 (23%)	86 (31%)	35 (17%)
Mortuary	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Prescribing	43 (2.2%)	0 (0%)	3 (0.5%)	0 (0%)	8 (4%)
Privacy, dignity & wellbeing	22 (1.1%)	81 (10%)	3 (0.5%)	1 (0.5%)	5 (3%)
Restraint	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Staffing numbers	9 (0.5%)	4 (0%)	0 (0%)	0 (0%)	1 (0.5%)
Transport	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Administration	0 (0%)	39 (5%)	12 (3%)	0 (0%)	15 (8%)
Values & Behaviours	146 (7.7%)	39 (5%)	13 (3%)	1 (0.5%)	20 (10%)
Waiting Times	95 (5%)	32 (4%)	0 (0%)	3 (1%)	0 (0%)

The PALS concerns are themed using the same assessment used for formal complaints. The PALS themes are similar to the above percentages. The trust continues to receive concerns regarding communication which include for example relatives having difficulties in getting through to wards, having difficulties in getting through to various departments across the trust that are short staffed, or patients concerned regarding text messages and letters received asking for information which were sent out by the trust to patients on waiting lists.

Changes resulting from Complaints

One of the main purposes in investigating complaints is to identify opportunities for learning and change in practice to improve services for patients. Examples of changes brought about through complaints are as follows:

You said

Patient information leaflets regarding post-surgery discharge care and given to patients on their discharge lacked detail and could be more clear.

We did

Surgical matron has reviewed the leaflets, and these have been updated, with clearer and more specific advice. The 'Information Following General Anaesthesia' leaflet has also been updated.

You said

Concerns raised regarding lack of updates from ward when father-in-law was an inpatient at Bournemouth Hospital.

We did

Complaint has been shared with staff for learning and staff training has been revisited with regard to communication.

You said

Concerns raised as mother of patient found a needle and syringe left in a cubicle in the emergency department, and the way in which it was handled.

We did

Staff members were identified, and additional training has been given regarding sharps safety and their disposal. Apologies given to patient and her mother.

You said

Feedback received regarding the lack of pillows available for patients in the emergency department.

We did

The Senior Matron for ED has ordered additional stock to ensure an adequate supply.

You said

Concerns raised regarding the Parkinson's service and the impacts of reduced staff in the service.

We did

Further administration staff have been recruited to support the team and changes have been made to ways of working in order to improve the service, including the uploading of all correspondence to the electronic patient record so these are immediately accessible for GPs.

You said

Concerns raised regarding the Labour Line and the difficulties in accessing staff.

We did

The labour line has been improved and is tested regularly.

You said

Concerns raised regarding uneven steps by Longfleet Road entrance of Poole Hospital.

We did

Estates Department have conducted a Health & Safety Review and are considering the addition of further painted signage on the concrete to advise caution.

You said

Patient and his father were upset by the manner of the doctor when they saw him in clinic. They were also unhappy that they had not yet receive the results of a recent MRI.

We did

The feedback regarding communication was passed on to the doctor for reflection. Another consultant reviewed the MRI results and wrote to the patient and the GP with the findings. A further appointment with an alternative consultant was offered.

You said

A local GP raised concerns that there were delays in the pathway when trying to admit patients their patients to the Royal Bournemouth Hospital in emergency situations.

We did

There is now a dedicated emergency admissions team which answers calls across the whole trust and continuous work is undertaken to improve the service further. Feedback from GPs have already noted improvements and quicker responses.

You said

Concerns were raised about patient's being discharged from hospital in gowns and nightclothes as they did not have suitable clothes with them during their admissions.

We did

In conjunction with our physiotherapy and occupational therapy teams, we are in the early stages of trialling a charity funded project. Patients will be provided with new clothing and shoes free of charge to help patients to be discharged in more appropriate clothing and footwear.

Referrals to the Parliamentary and Health Service Ombudsman (PHSO)

Complainants who remain dissatisfied with the way the trust has handled their complaint at local resolution level are able to request an independent review to be undertaken by the Parliamentary and Health Service Ombudsman (PHSO). Complainants are made aware of their right to take their complaint to the PHSO through the trust information leaflet and in the written response to their complaint.

During 2022/23 the PHSO advised of 13 cases that they were looking into. One of the cases opened by the PHSO has now been closed and not upheld. One case has resulted in a compensation payment of £750. The other cases are still with the PHSO being reviewed.

Stakeholder relations

The NHS continued to dominate the headlines in 2022/23. As we moved away from the Covid pandemic, the NHS was also affected by industrial action and our trust had the responsibility to strengthen ties with all our major stakeholders, including our patients to keep them informed with all that is going on across our hospitals.

The year also saw the further development of the Dorset Integrated Care System (ICS) which moved to statutory status from 1 July. We are an integral member of the Dorset Integrated Care Board. This has meant close working with councils, all NHS foundation trusts, NHSE, NHS Dorset and care sector organisations.

Our close relationship with Bournemouth University continued to develop. We are very proud of our university hospital status and are now realising some of the benefits that this brings to our hospitals and to our region.

Our BU/UHD partnership steering committee is now assisted in this by a BU-UHD research steering committee and new BU-UHD people and workforce steering committee enabling more staff to be involved with delivering our joint strategic aims.

Key achievements for the past year include

- delivering our first BU-UHD Partnership research event in October - a sold out event at BU involving clinical and non-clinical teams alongside staff from all four BU faculties
- working together to train our leaders of the future in our first Dorset ICS cohort of the new codesigned, codeveloped Level 7 senior leader apprenticeship/MBA.
- successful new internships for BU students in biomedical science and in strategy & transformation and short placements in sustainability.
- events for staff and the public highlighting how working together improves patient care.

Learning from these and other successes is supporting the development of clear pathways for teams from BU and UHD, improving access and uptake of many of the advantages of our partnership.

With strong commitments for closer working from leaders at both BU and UHD, the BU-UHD partnership will play an increasingly important role in supporting better patient care and also make UHD a really great place to work.

The media remained one of our important stakeholder groups. We have built a strong relationship with both local and national media and worked closely with them throughout the year. This included celebrating the visit by the then HRH Charles, Prince of Wales in May to Royal Bournemouth Hospital in May. This visit was organised to highlight our new theatres to help with our work in elective operations recovery and to open a new remembrance garden for staff. It proved to be a very welcome tonic to the many staff who greeted the visit.

BBC South Today filmed a three-part series on the work of our maxillofacial team. This focussed on three patients whose lives had been transformed by the care and dedication of the team. The reports were also highlighted on national BBC.

We also worked closely with the media to demonstrate the positive work out trust was doing to tackle operational pressures, particularly around winter; elective recovery; revalidation of waiting lists; industrial action; and changes to our services as part of our transformation programme. This included several visits and tours by both the BBC and the Bournemouth Echo to meet colleagues and discuss the issues we were facing.

On 8 March the CQC published reports on our maternity, surgical and medical services

and we produced a series of updates on this news and worked closely with the media to show what positive work had already been done in response to the reports.

Our governors were, as always, a fantastic ally during this time. While we could not always hold face-to-face meetings, we were able to keep in touch with our governor body through our use of Teams, the online meetings platform.

Our membership engagement group played a vital role in keeping in touch with our 12,000 members and during this year we developed a monthly members' newsletter that was emailed to all our members we had email addresses for as well. We also published Together magazine that was posted to all our members - this contained important updates in our care for our patients as well as details of our future development plans.

The governors also held a listening event in September in the Allendale Centre in Wimborne. These events are incredibly important for engagement as they give an opportunity for members of the public to give their opinion on our services and our transformation plans, and they give our governors an opportunity to share updates and our publications.

This is particularly important as our programme of transformation really begins. This will see a £250 million investment in our hospitals to create a major planned care hospital at Poole and a major emergency care hospital at Royal Bournemouth. The transformation will ensure the best use of our resources and will bring many benefits to our region but has not been without opposition, so we need to continue to engage with our local population as the plans develop. We have shared news about the developments through a series of publications and we are very grateful to our governors for all that they have done to engage with our local population.

As a great milestone in our transformation journey, we held a topping out service for Poole Hospital's new operating theatres in May. This event was attended by the then Minister for Health Edward Argar MP who said: "It's a significant investment, just shy of £200m from government, and when it is fully operational, we'll have the capacity to deliver around 21,000 more planned procedures than present - that's hugely important. It's important in terms of tackling that waiting list backlog that Covid has generated but also in terms of the wider scheme which will see Poole focused on planned surgical procedures and Bournemouth as the emergency department site."

We held our Annual Members' Meeting (AMM) in person at the Royal Bournemouth Hospital on Monday 17 October. The event, which was also live streamed via Microsoft Teams, included presentations from our chief executive, Siobhan Harrington, and chief finance officer, Pete Papworth, on the 2021/22 Annual Report and Accounts and forward planning for 2022/23. Sharon Collett, lead governor, also gave a presentation on the council of governors. Following the AMM, a talk on the transformation of our hospitals was presented by Dr Harry Adlington, emergency medicine consultant. This focussed on the exciting changes happening to our hospitals and the benefits these will bring to our region.

We communicated with our patients and visitors through direct communications, the media, our internet, our social media channels and our membership channels. For visitors, the ever-changing infection prevention and control (IPC) protocols meant that we had to continue to update our guidelines. We had an amazing team of volunteers who were at the doors of our hospitals, handing out masks and hand sanitiser. These volunteers were the first face visitors saw when they came to our hospitals and they were fantastic ambassadors for our trust.

We ran a series of live online health talks as well as pre-recorded tours of our hospitals and details of our development plans. Recordings from the day have proved very popular on our website and have been shared widely. These included a talk on understanding fibromyalgia in April and understanding common skin conditions in September.

Looking ahead, we need to continue to develop our close relationships with all our partners across Dorset as part of the Dorset ICS so that we can reach our potential from all our transformation plans in caring for the people of our region and beyond.

Patient engagement

Our quality strategy details the aims, objectives, timescales, responsibilities and monitoring processes of how we will achieve high quality care for all. It is the driver for delivering healthcare that is safe, clinically effective and a achieves a positive experience for all those involved.

Insights from patients and carers have informed the transformation of many of our services.

Carers helped with the development and launch of the carers passport. A national scheme that has been branded and aligned with Dorset ICS colleagues to ensure carers are supported when their loved one is in the care of the hospitals.

Staff have been working in partnership with patients to codesign pathways, one example of this was the work being undertaken to improve the services provided for patients who have mental ill health.

Staff engagement

University Hospitals Dorset is still a relatively new trust - founded on 1 October 2020 with the merger of Poole Hospital NHS Foundation Trust with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust. Our merger, our ambitious transformation plans, our post covid recovery and industrial action meant that staff engagement was a major priority this year.

Our previous chief executive Debbie Fleming left UHD at the end of March 2022. An interim leadership team was then in place before Siobhan Harrington joined us on 1 June. In her first week, Siobhan introduced a new face-to-face staff briefing that has continued monthly since. These briefings are held across sites and in public areas and provide an update on operational pressures, our elective recovery, our redevelopment, staff success and any major campaigns. Colleagues are encouraged to attend or to watch online - the event is broadcast via Microsoft Teams. A recording is also shared on YouTube afterwards.

Siobhan also introduced 'slido' to these all-staff briefings - these allow us to take a 'temperature check' of the organisation and also hear what issues colleagues are facing as staff can take part and comment via their mobile phone. We then respond to these comments in the next edition of the Brief, the all-staff publication that is published on same day as the briefing. Alongside the monthly Brief, we publish via email and our staff intranet an all-staff bulletin twice a week. This contains news and operational updates for staff, with links to any relevant news.

We have also been running a series of 'Ask Me' online meetings. These have been run by our senior medical team and give an opportunity for colleagues to hear an update and then ask questions of the team and give their feedback on everything from the price of a sandwich in our canteens to problems with parking. They have proved a very engaging way to work with colleagues. We have done special versions of these to engage with colleagues over industrial action and the publication of our CQC reports. The former proved invaluable to help us prepare for any future industrial action.

Over the last year, we were able to return to many more face-to-face meetings for colleagues. These included the relaunch of our Schwartz rounds. This gives staff the opportunity to share their experiences with other colleagues in a safe and non-judgmental environment. We also held a Speak Up Month to focus on promoting the work of our freedom to speak up guardians. All colleagues need to know they can report any concerns they have and need not be afraid of the consequences.

The transformation of our hospitals to create a major emergency care site at Bournemouth and a major planned care site at Poole has been picking up pace. Many colleagues will be moving sites or moving to new facilities, so we have been running a series of tours for staff of the new and refurbished builds. This is to help prepare them for any moves and also to show off the new facilities to show colleagues how these will help not only benefit our patients but also colleagues working in them.

Siobhan has introduced monthly staff excellence awards when she joined, and this have proved very popular for recognising the work of all our colleagues. Plans are now being put in place for an annual staff awards ceremony to take place from June 2023.

One of the signs of the changes in infection prevention control guidelines was that UHD was able to hold its first ever staff revue show. Called ‘Pandemonium’, this was a great opportunity for staff from across the trust to work together to create the sell-out show that ran over two nights on 25 and 26 May 2022. A recording was shared with colleagues who couldn’t attend afterwards.

Another further development during this year was our staff app. Available on both iPhone and Android phones, this allowed staff who may not have access to computers during their day jobs to stay in touch with the trust, including ESR, e-Roster, staff networks and our education platform. This has proved very popular and now has been downloaded 12,000 times. The app also includes links to our staff wellbeing pages on our intranet that signpost colleagues to support. We also promote these pages across our communications.

Our social media platforms were also very useful at getting wider messages out to staff and to the general public. During this year, we also developed our TikTok account as well as our main channels of Facebook, Twitter, Instagram and LinkedIn.

Looking to the future, our trust is going to be taking part in Patient First - an ambitious quality improvement program. Patient First will help us all at UHD by improving the way we work, giving the time, freedom and skills to make positive and long-lasting changes that will benefit ourselves, our colleagues and our patients. We introduced colleagues to the benefits of our trust undertaking this and shared details of briefings that all staff were invited to attend.

Trust board members

Executive director	Title	Date of Appointment	Contract date to	Notice Period
Siobhan Harrington	Chief executive	1 June 2022	Current	6 months
Karen Allman	Chief people officer	1 October 2020	Current	6 months
Peter Gill	Chief informatics and IT officer	1 October 2020	Current	6 months
Dr Alyson O'Donnell	Chief medical officer	1 October 2020	Current	6 months
Pete Papworth	Chief finance officer	1 October 2020	Current	6 months
Richard Renaut	Chief strategy and transformation officer	1 October 2020	Current	6 months
Mark Mould	Chief operating officer	1 October 2020	Current	6 months
Paula Shobbrook	Chief nursing officer	1 October 2020	Current	6 months
Paula Shobbrook	Acting chief executive	1 April 2022	31 May 2022	n/a
Fiona Hoskins	Acting chief nurse	1 April 2022	31 May 2022	n/a
Ruth Williamson	Acting chief medical officer	1 August 2022	31 March 2023	n/a
Pankaj Davé	Non-executive director	1 October 2022	30 September 2024	1 month
Cliff Shearman OBE	Non-executive director	1 October 2022	30 September 2025	1 month
John Lelliott OBE	Non-executive director	1 October 2020	30 September 2025	1 month
Stephen Mount	Non-executive director	1 October 2022	30 September 2023	1 month
Caroline Tapster CBE	Non-executive director	1 October 2022	30 September 2024	1 month
Rob Whiteman CBE trust chair	Non-executive director	1 July 2022	30 June 2025	1 month
Philip Green Vice chair	Non-Executive Director	1 October 2020	30 September 2023	1 month

Disclosures required by Health and Social Care Act

Remuneration for senior managers is set out within the Remuneration Report. Most other staff within the NHS have contracts based on Agenda for Change national terms and conditions, which is the single pay system in operation in the NHS. Doctors, dentists, very senior managers and directors have separate terms and conditions. Pay circulars inform of changes to pay and terms and conditions for medical and dental staff, doctors in public health medicine and the community health service, along with staff covered by Agenda for Change.

The expenses of directors and staff governors are reimbursed in accordance with the trust's policy on expenses applicable to all staff. Travel and other costs and expenses for all other governors are reimbursed in accordance with a separate policy approved by the nomination and remuneration committee. Governors are volunteers and do not receive any remuneration for their roles.

Staff report

Introduction

In 2021 we launched our people strategy which sets out how we will unite our workforce behind our vision and make our new trust a great place to work. Over the last year our people have remained under increasing pressure since the response to Covid-19 began which is why it remained a key priority that we look after our people and support health and wellbeing for all our staff.

The people strategy drives the actions required to keep our people safe, healthy and well, both physically and psychologically, and provides the necessary support and development needed to continue to deliver the highest possible standards of care in an environment of high demand and at a time of significant change in the way patient services are organised and delivered across Dorset. Through this strategy, we will continue to build on the best from our existing organisations and ensure that the trust has the workforce it needs to deliver its goals over this period.

Successful delivery of this strategy will support us to improve our people's experience and ensure the trust is a great place to work. We continue to recognise the importance of engaging and involving our people, and despite the challenging time ahead for us and for the wider NHS, it is essential that we continue to hold this at the heart of all that we do.

Nationally there is a shortfall of trained people to meet the rising demands for healthcare and that we need to be more flexible, creative and innovative in how we attract, retain and develop our people, to enable us to fulfil our core purpose and achieve our vision. Our people strategy has five key action themes, which, through service integration, will enable appropriate support and care for our people while strengthening our organisational capabilities.

During this period, the high operational demands have continued, and our staff have demonstrated unwavering commitment throughout to excellent patient care. Our key focus has remained on enabling staff to be healthy in 'body and mind', help them recover effectively and strengthen our organisational capability. Our occupational health team managed the covid vaccination hubs, enabling staff across Dorset to receive their vaccination in easily accessible and efficient clinics. Our in-house psychological support and counselling service is well established and provides psychological support to staff, and the managing attendance policy which recognises the need for staff to recover health by offering an extended phased return programme also supports staff. In addition, we continue to support our Mental Health First Aid (MHFA) wellbeing ambassador programme and have been running some targeted education and support sessions for line-managers to understand wellbeing policies and responsibilities and people management processes.

Work has continued to bring teams together at service and function level and during the last 12 months 26 organisational change programmes have taken place in accordance with the trust's organisational change policy, to restructure and align teams, ensuring UHD is better placed to deliver safe, high quality, sustainable patient centred services. This work will increase over 23/24 with the organisational changes and the new hospital programme.

Recruitment remains challenging with market forces meaning significant challenges in sourcing candidates for an increasing number of hard to fill roles, so improving our reach and attraction of candidates via an increased use of social media and focused marketing is important to us.

Our student capacity and clinical apprenticeship programmes are expanding as we continue to work collaboratively with Higher Education Institutions and Dorset Integrated Care System to support workforce demand.

We were successful in exceeding our objective to recruit a further 135 internationally educated nurses to join us at UHD over the past 12 months. Achieving this has not only helped us secure funding for next year, but also allowed us to successfully bid for funding of extra pastoral support and mentoring for those new arrivals, and in creating an accelerated development programme for those international nurses ready to apply for promotion. This year has seen a significant focus on HealthCare Support Worker recruitment, with a mix of ICS led recruitment activity, trust led recruitment open day events that have attracted over 400 visitors, and our monthly mid-week HCSW selection days.

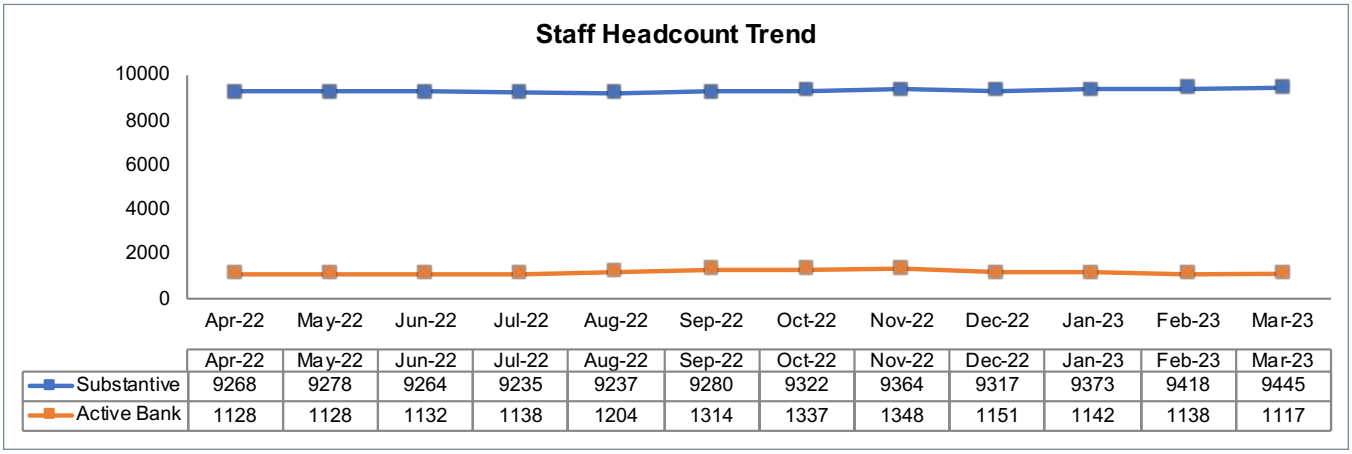
Our temporary staffing team have experienced a significant increase in service demand for staff with successfully recruiting more than 350 new members of staff onto our UHD bank and more than 490 substantive staff for additional bank contracts. A temporary workforce restructure has developed bespoke roles for the recruitment and retention of our temporary workers, such as a communication and engagement officer, supporting a drive-in recruitment campaigns for new staff members and engagement / retention of our current staff.

Retaining our current workforce continues as a priority for the trust and we are endeavouring to offer more flexible, varied roles. We recognise that flexible working is about more than just retention and for some staff the impact of the pandemic has remained a concern and led to staff turnover and a desire to work in a different way. Flexible working can unlock new opportunities and contribute to people's mental health, wellbeing and engagement with their role, and we know that in the NHS more engaged staff leads to better patient care. Through the previous developed flexible and agile working policies,

we continue to raise and support the profile of the benefits of flexible working across UHD through a range of methods, including communication briefings and inclusive leadership conversations.

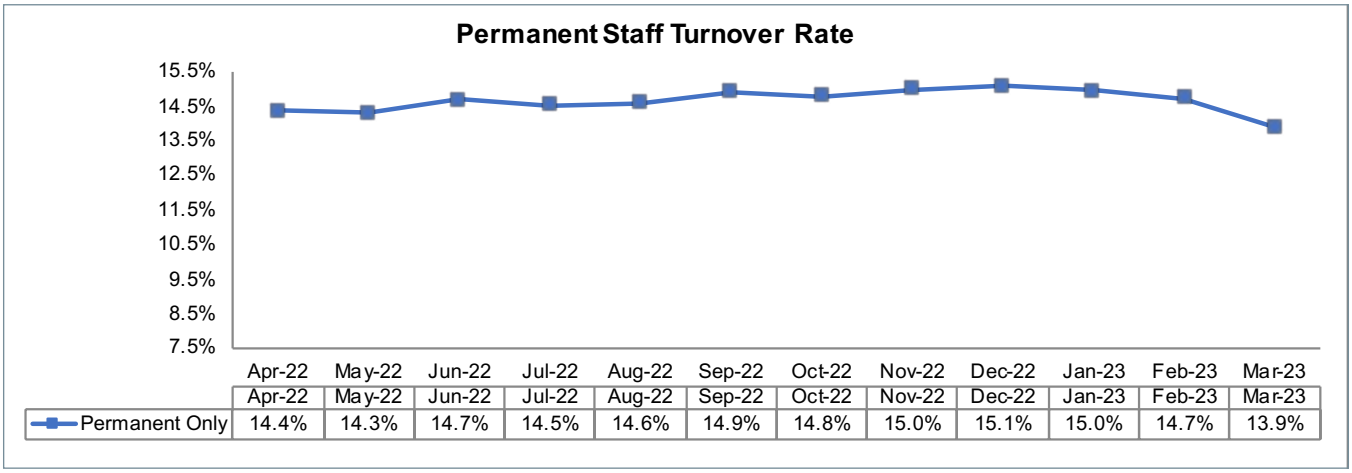
Staff numbers

The headcount of substantive staff employed in March 2022 was 9,268 and this figure stands at 9,445 heads as at March 2023 demonstrating an improvement with recruitment and retention although it is recognised that there is more work and focus required in this area.

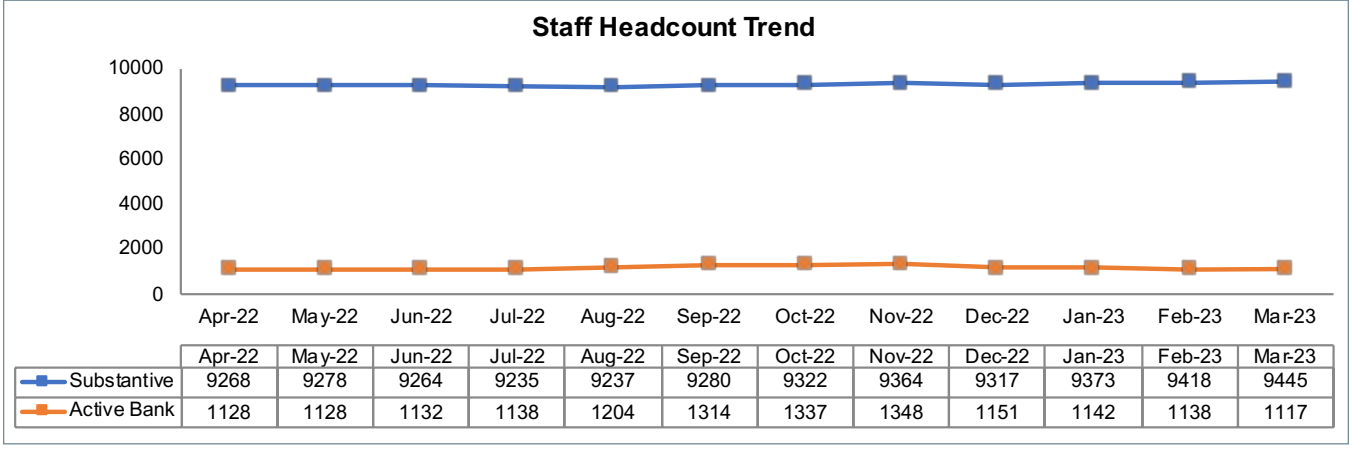


	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Substantive	9268	9278	9264	9235	9237	9280	9322	9364	9317	9373	9418	9445
Active Bank	1128	1128	1132	1138	1204	1314	1337	1348	1151	1142	1138	1117

Turnover % across UHD stayed roughly the same for the beginning part of the year and has been dropping in 2023 and is 13.9% at the end of March 2023. This figure includes substantive staff who moved to bank only contracts.



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Permanent Only	14.4%	14.3%	14.7%	14.5%	14.6%	14.9%	14.8%	15.0%	15.1%	15.0%	14.7%	13.9%



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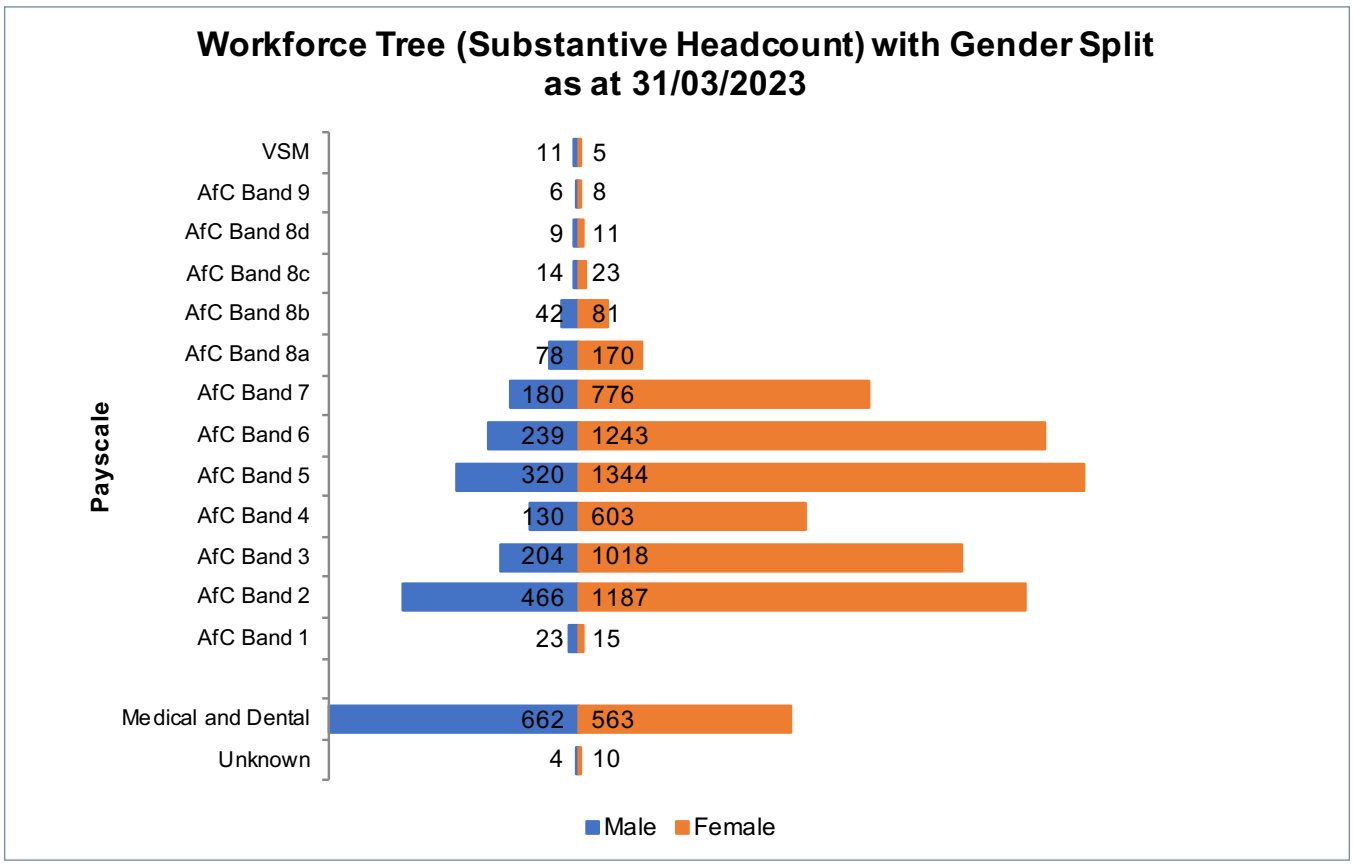


Gender split

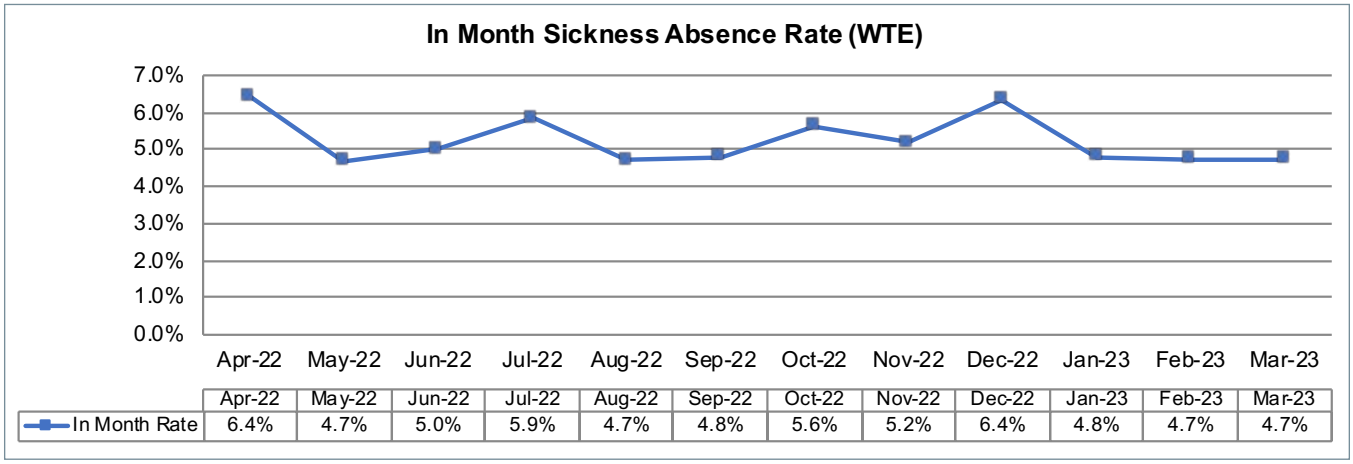
UHD board

- Male non-executive directors: 6
- Female non-executive directors: 1
- Male executive directors: 4
- Female executive directors: 4
- In addition, there is 1 male associate non-executive directors.

Information on gender pay gap can be found on the Cabinet Office website:
https://gender-pay-gap.service.gov.uk

Sickness absence data

- Sickness absence levels have reduced in 2023



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
In Month Rate	6.4%	4.7%	5.0%	5.9%	4.7%	4.8%	5.6%	5.2%	6.4%	4.8%	4.7%	4.7%

People and sickness management

There is a high-level focus on good people management (including managing attendance) through our 'managers induction'. We have communicated widely around the range of wellbeing provisions available for staff - including refreshing our intranet to include financial wellbeing. Looking forward, there is new 'supporting staff wellbeing and managing attendance' training for line managers under development - this is expected to be rolled out from August 2023.

Information on counter fraud

The trust has an anti-fraud, bribery and corruption policy in place endorsed by senior management and the trust's audit committee. The people services department maintain strong links with the counter fraud team, who are invited to an investigator meeting twice a year and also take a lead as the trust's counter fraud champion.

Exit packages/Settlement agreements

Within all large organisations there will be occasional disputes between staff. The trust has in place a number of measures to prevent and address these when they happen, including a robust reporting system for bullying and harassment; facilitated meetings; mediation, performance management, disciplinary and grievance processes. Occasionally it may not be possible to resolve employee relations issues and consideration may be given to negotiating a settlement agreement, particularly where a case may escalate to an employment tribunal. Often settlement is made on commercial grounds and does not necessarily indicate any fault with trust processes. There were no exit packages within the period.

Risk management

Risk management and health and safety training is included on induction and mandatory training programmes, now integrated for staff on all sites on our BEAT system with additional risk assessment, duty of candour and root cause analysis training sessions for clinical leads, heads of department and ward leaders.

Staff policies

The trust's people policy task and finish groups, which includes representatives from people services and staff side colleagues continue to work through people policies for UHD which are subsequently sent to the UHD staff partnership forum for ratification. Disability confident scheme (previously named the guaranteed interview scheme (GIS) or 'two ticks' scheme) The trust is an accredited Disability Confident employer, and candidates with a recognised disability meeting the minimum essential criteria for a role are offered an interview. This applies to both internally and externally advertised posts.

Expenditure on consultancy during the period: the trust reported a nil total consultancy expenditure.

Occupational health

The occupational health service is staffed by a team of clinical staff and registered nurses, all with occupational health experience and a team of administrative staff. Medical expertise is provided by an occupational health physician. 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. In addition, the team has expertise MSK assessment and physiotherapy treatment as well as wellbeing support and guidance.

The Trade Union (Facility Time Publication Requirements) Regulations 2019

University Hospitals Dorset NHS Foundation Trust **1 April 2022 to 31 March 2023**

Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

NNumber of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
53	46.1

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	34
1-50%	17
51%-99%	2
100%	0

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time	63,430
Provide the total pay bill	393,461,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.016

Paid trade union activities

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

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	If TU activities have been paid, this will have been included in facility time calculations

Staff surveys

Staff engagement

We are continuing to develop new ways to engage with our large workforce. Alongside the staff networks we have other groups, such as our Wellbeing Ambassadors who have representatives from across the trust.

We also use the quarterly people pulse survey which gives us regular high-level data on how our staff feel about working at UHD. We have introduced a new monthly excellence awards which is nominated by staff and chosen by our chief executive and we have launched a new annual staff awards in 2023, with 12 categories designed to celebrate staff demonstrating our values.

Following feedback from our culture champions, we have also procured a new online ‘thank you’ page, which will be launched in 2023 too.

We are also in the process of designing a third cohort of culture champions who will work with teams and leaders over 2023 to conduct local team level listening exercises and empower individual teams to make improvements.

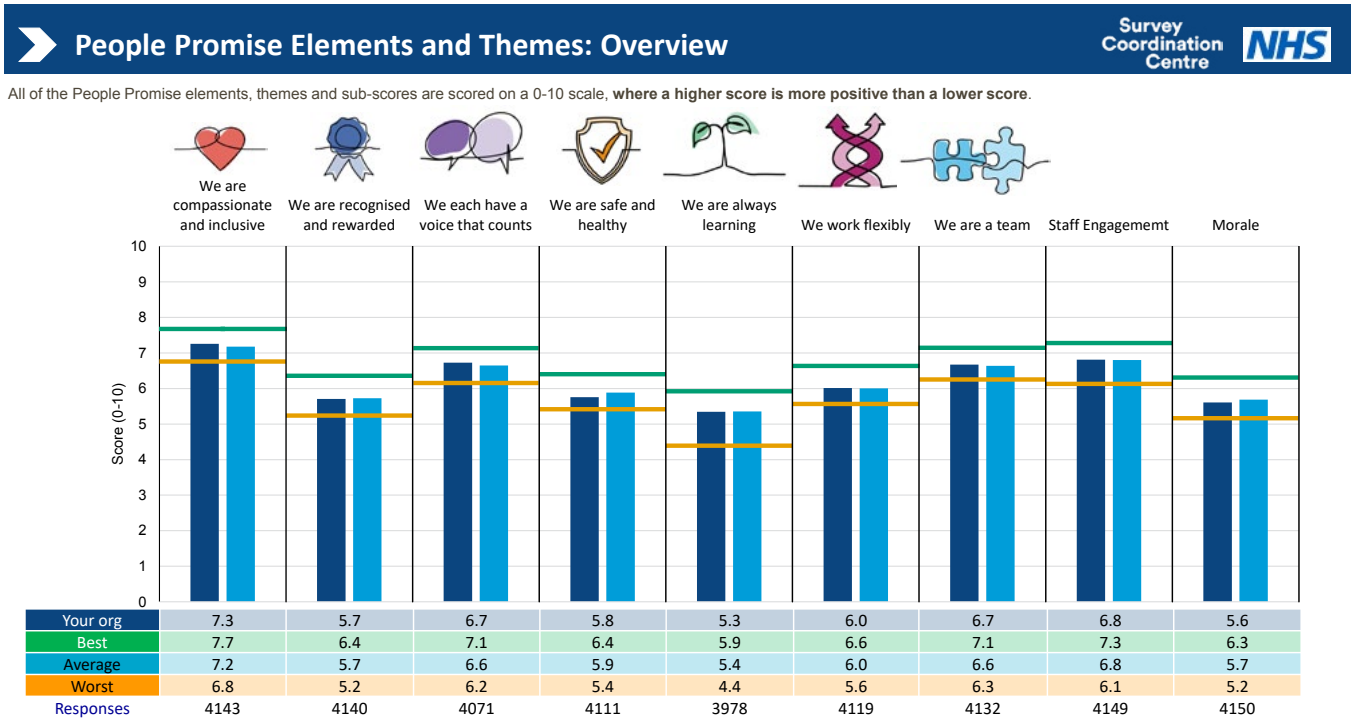
NHS national staff survey

The annual NHS staff survey enables all staff to give their views confidentially about a number of areas which matter. The survey was sent to all those eligible on 1 September and was live for completion during October and November 2022.

This was the second year that we completed a survey for UHD and the second year with the revised reports based on the NHS people promise themes. We trialled a different approach this year with targeted communications and regular emails to teams based on their on-going completion rates.

The UHD response rate to the 2022 survey amongst eligible trust staff was 45.5%, above the median benchmark for 'Acute and Acute and Community Trusts' of 44%. This shows an improvement from 37 % in 2021.

The following shows our results by theme:



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagememt	Morale
Your org	7.3	5.7	6.7	5.8	5.3	6.0	6.7	6.8	5.6
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	4143	4140	4071	4111	3978	4119	4132	4149	4150

Future priorities and targets

The management report has provided a useful overview of the results, supported by more individual team heat maps this year and a thematic review of the free-text comments.

Morale and staff engagement remain key performance indicators for organisations. Our scores are for these are broadly in line with the sector scores compared to 2021. However, score for the subthemes of advocacy and work pressure have fallen compared to 2021.

At question level, most scores are in the intermediate range, of similar organisations. There are 11 scores that are in the top-20% range, mainly clustered around 'We each have a voice that counts'. However, 10 scores sit in the bottom-20% and are clustered around 'We are safe and healthy' with cases of burnout, negative experiences and discrimination. Where comparable to 2021, 15 question-level scores have declined significantly around 'We are safe and healthy', 'We are compassionate and inclusive' and 'We each have a voice that counts'. Positively, 4 questions scores have seen significantly improved compared to the previous year, including questions about staff being able to ask their manager for flexible working, and the appraisals helping to give staff clear objectives and to improve how they do their job.

Our recommendations include improving awareness of the need to report incidents of violence and/or harassment, bullying and abuse and ensuring that staff are aware of the process around this and prioritising the issue of reported physical deterioration and stress at work and analyse ways in which we can ensure staff know the routes to occupational health and our wellbeing offers and that rapid access to help with work-related mental and physical injury and illness is available.

Work has begun to prepare for the 2023 Staff Survey to encourage even more respondents as possible to give us the best information about how our staff are feeling. Individual team leaders have been tasked with producing local actions plans and talking to their teams about improvements and challenges. Our third cohort of culture champions will also complete local listening at team level to ensure staff feel valued and listening to.

The introduction of Patient First will also help us to engage with individuals and teams on a much broader scale.

There will be a continued focus on our equality, diversity and inclusion agenda and actions related to WRES and WDES.

Equality, diversity and inclusion

Our strategy for equality, diversity and inclusion is published on our external website. It contains our strategic objectives with measurable outcomes and goals, aligned to our organisational vision, mission and values.

We continue to work alongside our partners in the Dorset Integrated Care System (ICS) to ensure our objectives are aligned and are representative of the needs of our workforce and local community. We have co-designed a positive action personal development programme for BAME staff across the system - 'Beyond Difference' which has been successful. In addition, the ICS has led on the application of the equality delivery service reporting requirements for 2022 to assist organisations in terms of consistency of completion.

Our equality, diversity and inclusion group (EDIG) is chaired by Pete Papworth (chief finance officer) The group includes representatives from across the organisation, including staff network leads, Governors and patient representatives. Its purpose is to provide the governance and assurance to the

people and culture committee and trust board on compliance with statutes and national standards and makes recommendations on specific interventions.

We are committed to delivering high standards of corporate governance and a key element of this is managing the trust in a socially responsible way. We are absolutely committed to preventing slavery and human trafficking in our corporate activities and supply chains. We also expect the same high standards which we set for ourselves from those parties with whom we engage, such as our suppliers and those who use our services.

A second cohort of the UHD reverse mentoring programme was undertaken with many senior leaders being mentored by staff from under-represented groups.

Our staff networks continue to be recognised both regionally and nationally. Regionally, the network leads presented to the ICS on their leadership of the UHD networks. Nationally, the UHD networks have been recognised as exemplars and are included as a case study in the forthcoming NHSI Staff Network toolkit.

Members of the board sponsor each of the UHD staff networks and take an active role to unblock any barriers to progress.

UHD Pride network (formerly Lesbian, Gay, Bisexual, Transgender, Questioning+)

Executive sponsor:
Peter Papworth, Chief Finance Officer

The network has re-launched with a new name of UHD Pride network along with a new logo to accompany this. A co-lead, Alice Girling and a deputy co-lead, Reuben Smith have been appointed.

They have produced updated PRIDE lanyards and pronoun badges have been designed and ordered which include the intersex progress flag elements.

UHD was awarded the Bronze award through the Rainbow project for support for both LGBTQ+ staff and patients. An action plan is underway including further work on policies and procedures. In addition, the Pride network group is partnering with Estates to review the inclusiveness of the toilets at UHD, including in the BEACH building. In July, the UHD Pride network partner with other local NHS organisations to celebrate the NHS at the Bournemouth Pride event in July.

ProAbility (supporting staff with long term medical conditions/ disability)

Executive sponsors:
Peter Gill, chief informatics and IT officer, Karen Allman, chief people officer

We continue to support the recruitment, training, career development and promotion of disabled persons/employees.

The trust holds 'Disability Confident' accreditation. It takes positive and proactive steps to maintain continued employment, provide training, and foster career development and promotion for disabled members of staff.

The trust reports on the 'Workforce Disability Equality Standard' (WDES) on an annual basis. This national reporting standard includes providing statistics which demonstrate a proportionate comparison between disabled and non-disabled members of staff in relation to their experience at work and opportunities. This data will enable a gap analysis to be conducted and the development of a targeted action plan in conjunction with the ProAbility staff network.

This network aims to listen, understand and support people living and working with physical disabilities and long-term health conditions holding regular listening events. The network is working closely with the HR department to understand the reasons for low declaration rates of disabilities and how this can be improved.

The trust recognises there is a strong business case for adopting a positive approach to supporting and developing disabled staff both in terms of acquiring and maintaining valuable workplace skills. Developing a culture where both our staff and patients can flourish is simply the right thing to do. It is the responsibility of the people directorate team to maintain up-to-date policies, taking into consideration revised employment law.

The network has recognised the need to support neurodiverse employees in the workplace and the services of Lexxic experts in psychological support were sought to provide introductory training and support the development of a suggested action plan.

Deaf Awareness week in May was celebrated together with the ongoing promotion of British Sign Language training. In addition, the Network championed red hearing aid boxes for use by patients to safeguard against loss of their devices with associated distress and cost.

In December, Purple Light Up Day was celebrated by the Network within UHD to recognise the contributions of disabled employees.

Armed forces

Sponsor:
Abigail Daughters, care group leader

Rob Hornby continues to support staff and patient veterans and their families. His role is the Armed Forces Support Advocate which has been developed following a bid for national funding. They will work across the Dorset healthcare systems.

The trust is now accredited as Veteran Aware which enables patient pathways and support mechanisms to be accessed directly for patients who are current or retired forces personnel and their families.

European network

Executive Sponsor:
Richard Renaut, chief strategy and transformation officer

The network has continued to offer support to European nationals following Brexit and the EU Settlement Scheme.

The network has raised the profile of our European workforce as a significant number in our workforce.

Black, Asian and Minority Ethnic

Executive Sponsors:
Peter Gill, chief informatics and IT officer,
Paula Shobbrook, chief nursing officer

The network holding monthly network meetings to listen to the experiences of BAME staff and to provide ongoing support as required. As a result of the WRES and lived experiences, the BAME network has raised the need for an organisational increase in focus on anti-racism.

The network are partnering alongside the EDI Lead to develop an Anti-Racism strategy and associated support. This was initiated by a visit from Yvonne Coghill, director of Workforce Race Equality at NHSI who lead a discussion on some of the challenges and opportunities for improvement.

Women's network

Executive sponsor:
Siobhan Harrington, chief executive

In July 2022 this new network was launched, with terms of reference in place. Samantha Murray and Jasmine Sharland are co-leads.

In October 2022 the network held its first event to promote baby loss awareness week with various local women wellbeing stands.

The network is introducing the Employer with heart policy underway with HR. A Period poverty project has been begun to provide free sanitary products to staff in all unisex and female facilities. Sanitary waste facilities have been audited, and work has begun to install more bins.

In March 2023 we celebrated International Women's Day 2023. The network hosted an in-person event to celebrate with a line-up of inspirational women speakers.

NHS Foundation Trust code of governance

The 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 in effect until 31 March 2023 most recently revised in July 2014 was based on the principles of the UK Corporate Governance Code issued in 2012.

The board considers the Trust to be fully compliant with the principles of the NHS Foundation Trust code of governance as well as with the provisions of the code in all respects, save as to A.5.12, B.1.2 and (for a limited period, C.3.1). Details of compliance or an explanation are provided in this report.

Siobhan Harrington
Chief executive
28 June 2023

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 England.

NHS England has given Accounts Directions which require University Hospitals Dorset NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of University Hospitals Dorset 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 England, 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*.

Siobhan Harrington
Chief executive
28 June 2023

Annual governance statement

(1 April 2022 to 31 March 2023)

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 University Hospitals Dorset NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in University Hospitals Dorset NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Within the trust, the board of directors leads the management of risk. The trust's risk management strategy sets out the board's strategic approach to risk-taking by defining its boundaries and risk tolerance thresholds and states how the delivery of the trust's risk management strategy will be achieved.

The trust has key aims that the risk management strategy supports in the delivery of:

- Devolved decision making and accountability for the management of risk throughout the organization; from the point of delivery to the Board;
- Promoting a culture of assurance, monitoring, and improvement, ensuring risks to the delivery of trust strategic objectives are well understood;
- Supporting patients, carers and other stakeholders through the management of risks to patient safety, patient experience and service delivery.

In my role as accounting officer, I have ultimate responsibility for ensuring that effective management systems and controls appropriate for the achievement of the trust's objectives are in place and also responsibility for ensuring efficient and economic use of resources. Under the trust's risk management strategy, as chief executive I am also responsible for ensuring that the trust meets all statutory responsibilities and guidance issued by the Care Quality Commission in respect of governance. The chief nursing officer has specific responsibility for acting as the board lead for monitoring compliance with the Care Quality Commission requirements.

The chief medical officer and chief nursing officer have joint delegated responsibility for managing the strategic development and implementation of organisational risk management and clinical governance. However, the requirement to manage risk more effectively is a responsibility affecting all staff in every part of the trust; from the control of finance, through all the disciplines supporting and delivering the environment of care, to the direct delivery of clinical care itself, risk management is everyone's responsibility from ward to board.

The trust's risk management strategy clearly defines these responsibilities and provides guidance for the fulfilment of these roles. This is underpinned by developing and supporting a culture that encourages an open and honest recording of risks and organisation-wide learning where risks are continuously identified, assessed and minimised. The trust's organisational development programme supports an open culture, and this is encapsulated in the trust's values. As chief executive, I sponsor the role of the Freedom to Speak Up Guardian who reports quarterly to the people and culture committee and bi-annually to the board of directors to provide assurance around the reporting, safety and learning culture within the trust as well as identifying key themes.

The trust identifies, prioritises and manages all aspects of risk through its integrated governance framework. Risks to delivery of the trust's strategic objectives are documented in the board assurance framework. The board assurance framework is reviewed six-monthly by the board of directors and quarterly by the audit committee to ensure that it is comprehensive, and that the trust's internal controls and risk management systems are operating effectively. The trust uses a single risk register system and a standard risk register process. Risk mitigation is achieved through a continuous cycle of the identification, assessment, control, and review of risk which supports our open and honest reporting culture.

High risks (those with a risk rating of 12-25), including any changes to these, are reviewed by the board of directors at its Part 1 meetings and by the quality committee at each meeting. The work of the board of directors and its committees is supported by a range of specialist groups including the trust management group, the clinical governance group, the clinical audit and effectiveness group and directorate clinical governance and risk management groups. The board of directors and its committees also consider independent sources of assurance such as internal and external audit, counter fraud, commissioned independent reviews, clinical audit, national patient surveys and staff surveys.

Risk management and health and safety training is included on induction and mandatory training programmes for all staff with additional risk assessment, duty of candour and root cause analysis training sessions for clinical leads, heads of department and ward leaders.

Formal training is supported by a variety of other resources that seek to promote and facilitate individual, departmental, directorate and organisational discussion and learning. Recommendations and learning from complaints, audits, mortality reviews and incidents are discussed locally at directorate clinical governance groups. Actions and learning points are also shared with regulators and other stakeholders across the local healthcare system through meetings with commissioners, clinical network groups and patient safety forums. Trust staff at all levels are encouraged to seek to learn from other organisations at national level through attending conferences, networks and from investigations carried out by the Care Quality Commission and the Health Safety Investigation Branch.

The risk and control framework

Risk management strategy

Healthcare commissioners and providers in Dorset follow a pan-Dorset risk management framework. The framework includes a standard matrix for measuring risk and determining the level of risk that can be accepted at the key management levels within the organisation. Detailed guidance and advice on assessing, quantifying and managing risk is contained within the trust's risk management strategy and associated risk matrix and risk assessment toolkit. As part of the strategy, care group and directorate leads are responsible for maintaining directorate risk registers and for bringing high risks to the attention of the clinical governance group, trust management group and the quality committee. Each of the other committees of the board of directors reviews the high risks relevant to areas within its scope of responsibility and in accordance with the trust risk appetite statement. The quality committee and other board committees bring important matters to the attention of the board of directors.

As part of its integrated governance approach, risk management is integrated into business planning, quality improvement and cost improvement planning processes, ensuring that objectives are set across the organisation with plans to manage risk in accordance with quality impact assessment and risk assessment procedures.

The trust's risk appetite statement defines the board of directors' appetite for each risk identified in relation to the achievement of the trust's strategic objectives each financial year. Risks throughout the organisation will be managed within the trust's risk appetite, or where this is exceeded, action taken to reduce the risk. The trust continuously monitors risk appetite and risk control systems in place and utilises the assurance framework process to monitor, develop, implement, demonstrate and promote continuous improvement and learning. The effectiveness of the assurance framework and its application is verified annually by the internal auditors and reviewed by the audit committee.

The board of directors has reviewed the trust's principal corporate and strategic objectives and identified mitigating strategies for any risks to the delivery of those objectives using the Board Assurance Framework process. The development of the board assurance framework has involved consideration of all objectives (strategic, quality, financial, corporate, business, clinical, human resources etc.) and all risks. In addition, a comprehensive review has taken place of the trust's committee structure and its ability to provide the necessary assurance to the board of directors in support of the board assurance framework. The framework is specifically linked to the trust's strategic objectives and regulatory requirements. Within the board assurance framework, principal risks are identified, and key risk controls put in place to provide necessary assurances on identified gaps in control systems and action plans to further reduce risk are mapped against identified objectives. The board assurance framework is linked to the trust's risk register with risk management achieved through a continuous cycle of the identification, assessment, control and review.

Risks may be entered on the trust's risk register as a result of risk issues being raised or identified by employees, directorates, external or internal reviews, internal or external audits, incident investigations, complaints reviews and comments from public stakeholders and/or service developments. Risks may also be raised by the board or its committees or by specialist groups. These include the quality committee, finance and performance committee, people and culture committee (formerly the workforce strategy committee), infection

prevention and control group, medicines governance group, information governance steering group, clinical governance group and health and safety group. All risks entered onto the risk register are categorised according to the trust risk management strategy using a standard risk matrix. The risk rating value is a combination of likelihood and consequence. All risks are assigned a current risk score and a target risk score following implementation of action plans and mitigation. All action plans have a responsible lead and timeframe noted. All high and corporate level risks are also assigned an executive director lead.

Key risks

High risks (risks with a risk rating score of 12-25) on the trust's risk register are routinely reviewed by the quality committee, which meets monthly. The quality committee is chaired by a non-executive director and membership includes representation from the board of directors and the council of governors. The clinical governance group also reviews all risks rated 12-25 and any new clinical risks raised by exception from speciality and directorate risk and governance meetings. The clinical governance group reports regularly to the quality committee. Risks rated 12-25 are also reported to the board of directors at each meeting, identifying any changes to mitigating actions, controls, or risk rating. The full Board Assurance Framework is reviewed at least every six months. An annual review of risk management processes is incorporated within the internal audit programme approved by the audit committee.

The most significant risks still facing the NHS and the trust currently are demand and capacity and staff shortages. 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 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 and following the pandemic. We continue to adapt these daily in line with national, professional, and local guidance to ensure staff and patient safety and maintain high standards of patient care.

The Covid-19 pandemic and timely access to primary care resulted in major challenges to a number of key performance targets that impact on our patients, such as cancer access times and referral to treatment targets. The trust continues to work with partners in the Dorset integrated care system to address these risks as well as through its own quality improvement projects.

The pandemic additionally created workforce risks across the NHS and has had an impact on our ability to provide optimum staffing levels in clinical and non-clinical areas. We have continued to adopt a programme of workforce initiatives, mitigations and actions to support safe staffing. We have put in place a raft of measures to support staff well-being including emotional, physical, and psychological support.

Corporate governance

These risks have been notified to the board of directors and also to NHS England commissioners as part of annual planning and regular reporting processes. The board of directors considers statements relating to compliance with this condition of the NHS provider licence on an annual basis as part of a self-certification process and these are also highlighted to the board of directors in advance of this through regular performance reporting. Annual compliance with the principles of good corporate governance and more detailed provisions of the NHS Foundation Trust Code of Governance is reviewed as part of the required disclosure which appears in this annual report. These are also reflected in the governance framework for the board of directors and its committees to support ongoing compliance.

More generally, the board of directors conducts its own reviews of its governance structures including reviews of performance by its committees to ensure that information provided to the board of directors identifies the key performance risks and the risks to compliance with the trust's provider licence and other local and national performance targets, including its own performance objectives. These include indicators and measures relating to quality, safety, performance, clinical outcomes, productivity, workforce, activity and finance. Appraisals of both non-executive directors and executive directors take place annually with objectives and development plans identified, some of which are incorporated into the broader board development programme. This is supported by the work of the internal auditors.

Workforce risks

The year ended 31 March 2023 was another period of unprecedented challenge for the hospital workforce, working through the continuing risks and realities of Covid-19 and industrial action.

In this period, the trust ensured that risk mitigation decisions were taken in the context of fairness and consistency across all three hospitals with policy and practice becoming more aligned. The challenges of supporting the trust's workforce to stay safe and well to do their essential work through another year of Covid-19 at the same time as progressing with post-merger integration and industrial action were significant. Human resources, organisational development, occupational health and education and training resources were stretched throughout this period in supporting staff and managers (e.g., psychological support and wellbeing services) to help maintain services and to deal with issues.

The UHD people plan and organisational development plan together provided vision and framework for the trust's workforce. Alignment to the NHS people plan confirmed that our plans were comprehensive and challenging in addressing risks and issues in both a local and national context. These plans also supported the trust's cultural development programme in particular support for teams coming together and working across all sites. There was also an increasing emphasis on equality, diversity and inclusion networks and plans, prioritising Black Asian and Minority Ethnic staff experience and senior representation. These programmes of work remain key priorities and are highlighted in the plans mentioned above.

The people and culture committee and board of directors continued to review, monitor and where appropriate, challenge performance and risks in relation to lagging and leading workforce metrics (vacancies, new role requirements, absence, sickness, use of

bank and agency). The people and culture committee has evolved further to ensure that we recognise the difference that is made with good quality people management and services and sharing of best practice.

The development of health and wellbeing support that is accessible and available for the trust's staff have been supported largely by bids to the charitable funds committee, with some national support. These developments will remain a priority as we know that "burnout" and fatigue remain a key issue of many of our staff given the pressures and difficulties that have been faced in the last few years. Regular review and further development of this support continues with a focus on demonstrating the difference that this support makes.

Joint working has continued with staff side colleagues supporting the policy development and review of other arrangements providing transparent and supportive processes for managers and staff and with the emphasis on a fair and just culture providing early and informal resolution wherever possible.

Workforce planning and development remain a high priority with the pressure on recruitment and retention a key priority for the trust. A significant expansion in placements across the trust has enabled us to provide more opportunities for the pipeline for the future workforce although the pressures remain with provision of safe staffing to meet our demands

A focus on workforce systems and technology including medical staffing systems (being introduced across the Dorset ICS) nursing and support areas rostering remain key priorities and this will further support the work to reduce premium workforce costs.

The trust continued to engage in system-wide projects through the Dorset people committee - attended by senior executives across a range of health and social care organisations with key workforce issues raised and discussed. National shortages of key medical, clinical, and allied health professionals also continued to be a priority for cross Dorset initiatives.

Compliance with national quality and staffing safeguards was achieved through a variety of evidence-based tools and techniques that support safe staffing decision making. On a daily basis, staffing meeting reviews ward staffing levels against patient acuity data, through a triangulated review of the electronic roster, Safe Care acuity tool and professional judgement.

The CQC highlighted staffing levels as an area of concern for medical, surgical and maternity services during their inspection process. Whilst recognizing this is a national issue, there is an ongoing focus on recruitment and retention of staff, including regular recruitment events and an established programme of internationally educated nurse and midwife recruitment. Care quality outcomes linked to safe staffing were monitored and reviewed at all levels of the organisation, with direct links between quality matrices and staffing being made; this was evidenced through directorate and care group quality and risk reports to the clinical governance group and quality committee. The trust utilised a documented internal red flag system that set out clear parameters for safe staffing, enabling teams to raise concerns should their staffing fall below expectations. Any areas of significant concern relating to safe staffing were highlighted on the relevant risk register.

Nursing workforce reviews were undertaken bi-annually by the senior nursing team with review and reconciliation of acuity, outcomes and staffing requirements. Following each of these a report outlining the recommendations was prepared and taken to the people and culture committee and board of directors in line with CQC and NHSE guidance.

All service changes, including skill mix changes which may affect staffing, had a Quality Impact Assessment review undertaken.

Information governance

During the year ending March 2023, the trust notified the Information Commissioner's Office of two information governance related incidents, using the Data Security Incident Reporting Tool.

The first of these was reported in May 2022 and related to the linkage of an adopted child's medical record to the birth mother's medical record. When the child's birth mother attended a midwifery appointment for a new pregnancy, she was able to find the child's new identity through this linkage.

The trust found that the reason for this incident was that there was a process for updating the child's details when a new NHS number was issued upon adoption, but there was not a clear process for ensuring that the mother and child record were de-linked within the eCaMIS Patient Administration System.

In this case, the birth mother had the child's new name disclosed to her, but nothing further. The Information Commissioner's Office decided it was satisfied with the action taken by the trust and decided to close the case with no further action.

The second incident was reported in September 2022 and related to the inappropriate disclosure of information between estranged parents. Both parents have parental responsibility for their child, and the father requested to be copied into correspondence about the child's care. The trust had undertaken this by including the father's full postal address at the bottom of the letter in the "cc" section, where the letter was addressed primarily to the child's mother. The father raised this with child health as an issue as he had not wanted this information to be shared.

The trust found that while this was done with the best of intentions, no robust policy or process existed for how to handle correspondence between estranged parents.

The Information Commissioner's Office have issued the trust with a formal reprimand for this incident. This was issued on the basis that the trust should have recognised that the practice of copying full addresses of estranged parents into letters was a risk and put in place measures to mitigate it before the incident occurred.

Compliance statements

The Care Quality Commission undertook an unannounced focused inspection of medicine and surgery on the 28 and 29 September 2022. The CQC did not look at all key lines of enquiry and limited their review to a small number of areas where concerns had been raised in older peoples' services and surgery. The CQC rated Poole Hospital's surgical services as 'requires improvement'. The inspectors' assessment of the hospital's medical care services did not lead to a rating being issued. The service remains rated 'good'. The CQC rated Poole Hospital as 'requires improvement' overall. It was previously rated good. No rating was issued for the Royal Bournemouth Hospital. The hospital remains rated 'good' overall. Similarly, the inspectors' assessment of the hospital's medical care and its surgery did not lead to new ratings being issued. Both remain rated 'good'. The inspection did not lead to trust-wide ratings being issued. The CQC recognised that the trust was aware of a number of these issues and noted that in a number of areas organisational and system wide actions were in place to mitigate risk.

The CQC also inspected maternity services at Poole Hospital in November 2022 as part of a national maternity inspection programme. The inspection at Poole Hospital was a short notice announced focussed inspection looking at safe and well led key questions. The CQC rated Poole Hospitals'

maternity service inadequate. The service was previously rated good (January 2020). The trust has developed detailed action plans to address the issues highlighted in the report. The quality committee will ensure oversight of effectiveness of the actions identified.

CQC reviews are an important part of the quality approach at the trust, and we will continue to use these to understand where further improvements to our services can be made.

The trust considers it is fully compliant with the registration requirements of the Care Quality Commission. The CQC has received the trust action plans and progress is reviewed at the regular engagement meetings. The actions related to a warning notice within maternity services have been addressed; however, the trust has not yet been re-inspected by the CQC.

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

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 trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS Programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

As Accounting Officer, I have responsibility to the board for the economy, efficiency and effectiveness of the use of resources. This is achieved operationally through good governance systems of internal control designed to ensure that resources are applied efficiently and effectively.

The trust employs a number of internal mechanisms and external agencies to ensure the best use of resources. This includes reviewing Model Hospital data provided by NHS Improvement to improve productivity and efficiency and the Care Quality Commission Insight report. Both predecessor trusts received positive use of resources assessments (RBCHFT rated as 'outstanding' in 2018; PHFT rated as 'good' in September 2019) as part of the CQC well-led rating.

The trust also includes the use of quality impact assessments as part of its cost improvement programme, drawing a link between quality improvement and achieving greater efficiency. Executive and senior managers in the organisation have responsibility for the effective management and deployment of their staff and other resources to maximise the efficiency of their directorates or departments. This is monitored in detail by the finance and performance committee and the board of directors.

During the year ended 31 March 2023, each NHS organisation within the Dorset ICS achieved its individual break-even control total, supporting the achievement of the aggregate system control total.

In terms of longer-term financial planning, the trust continues to work in partnership with other trusts in Dorset and commissioners as part of the Clinical Services Review and the ICS for Dorset, which also includes the local authorities.

Data quality and governance

Data management is largely handled by the trust's business intelligence department, quality and risk management department and the clinical audit department, all of which are subject to internal and external quality checking and control. Aspects of these have been regularly checked and validated throughout the year as part of routine governance processes.

The trust has a data quality management group which is responsible for ensuring robust mechanisms are in place for maintaining and improving the quality of data within the trust and for monitoring compliance against national and local standards. The data quality management group is a formally constituted subgroup of trust's operational performance group and as such will receive the minutes / key actions of the data quality management group meetings.

The group is responsible for monitoring the quality of data used by the trust, formulating a programme of work to improve data quality across UHD and approving action plans to address poor data quality issues. This is achieved by raising awareness of data quality standards, monitoring compliance against national data quality indicators and benchmarking against peers.

One aspect of the group's mandate is to monitor the quality and accuracy of elective waiting time data. This is achieved by monitoring the national data quality (LUNA) dashboard at the regular meetings. This is a national tool showing the trust's performance against referral to treatment data quality indicators at an aggregate level but also with drill down to specialty.

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 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 of directors, the audit committee and the quality committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The trust's enabling accountability framework describes key elements of the governance and assurance framework (including the role of the board committees).

The board committees consider and report to the board annually upon their effectiveness by reference to their terms of reference. During the reporting period, a review of the board committee structure was undertaken and updated, with each committee's terms of reference also reviewed and, as appropriate, re-defined (including to more closely align to the trust's strategic objectives).

During 2023, key issues and assurance reports were introduced, reporting from meetings of the board committees areas to be drawn to the board's attention. These include, but are not limited to, areas where the committees have rated levels of assurance received and actions reported as to be taken. The issues and assurance reports are presented by non-executive directors to governors.

As noted above, the integrated performance report provides the board with an integrated summary of key metrics and actions, linked to the trust's strategic objectives and taking into account the CQC well-led domains.

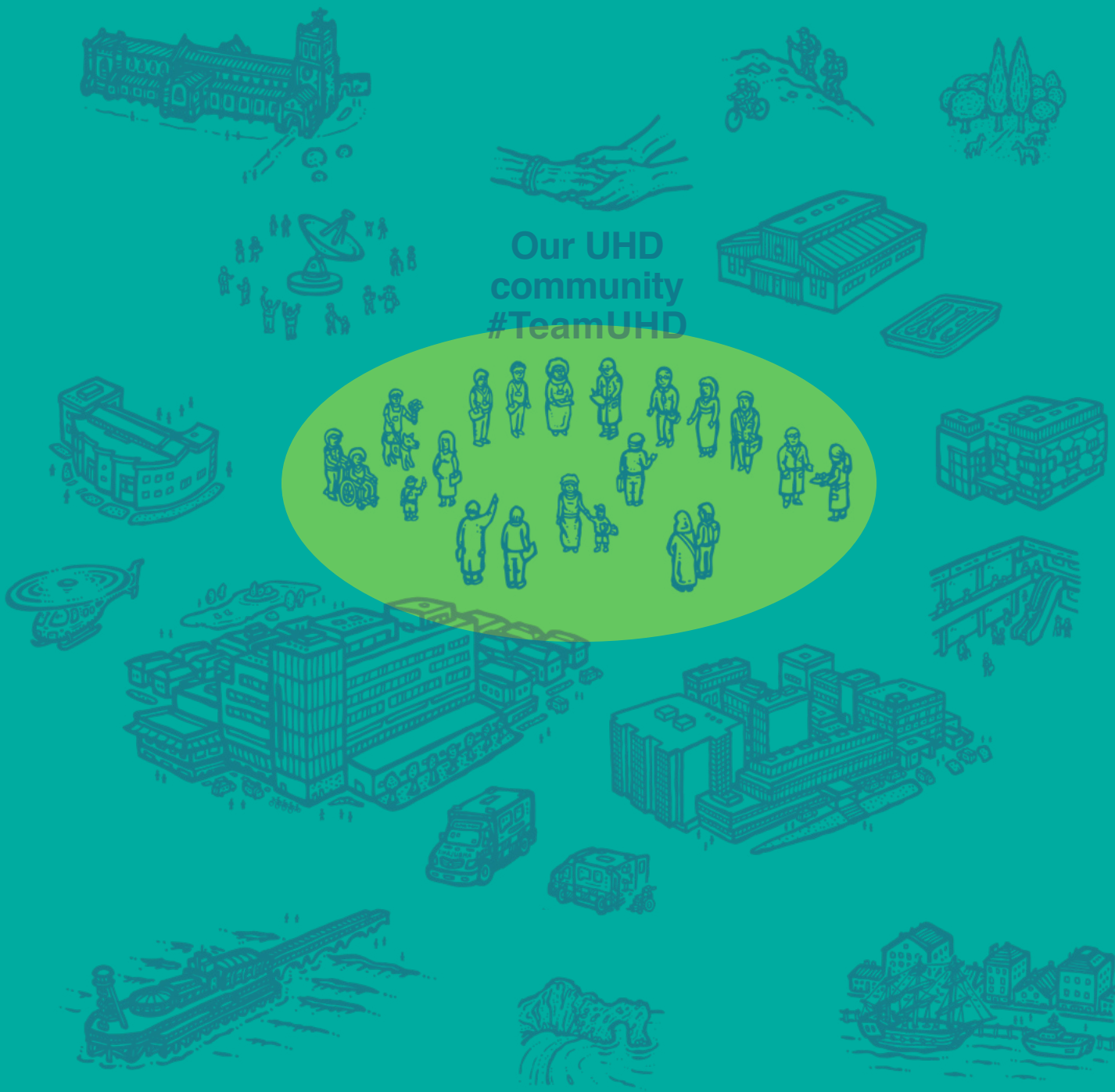
Conclusion

Based upon available Department of Health guidance, and the trust's internal and external auditor's views, the board of directors has not identified any significant internal control issues at this time.

Siobhan Harrington
Chief executive
28 June 2023

Consolidated financial statements

for the year ended 31 March 2023



Contents

The Foundation Trust

NHS Foundation Trust Code:	**R0D**	
Registered Office:	**Poole Hospital** Longfleet Road Poole BH15 2JB	
Executive Directors:	**Ms S Harrington**	Chief Executive Officer
	Prof. P Shobbrook	Chief Nursing Officer
	Mr P Papworth	Chief Finance Officer
	Mr M Mould	Chief Operating Officer
	Mrs K Allman	Chief People Officer
	Dr R Williamson	Interim Chief Medical Officer
	Mr P Gill	Chief Informatics and IT Officer
	Mr R Renaut	Chief Strategy and Transformation Officer
Non-Executive Directors:	**Mr R Whiteman CBE**	Chair
	Mr P Green	Non-Executive Director
	Mrs C Tapster CBE	Non-Executive Director
	Mr P Davé	Non-Executive Director
	Prof C Shearman OBE	Non-Executive Director
	Mr S Mount	Non-Executive Director
	Mr J Lelliott OBE	Non-Executive Director
	Prof John Vinney	Associate Non-Executive Director
Trust Secretary:	**Ms Y Dossabhoy**	
Bankers:	**Barclays PLC** London	
	Government Banking Service - Royal Bank of Scotland PLC Edinburgh	
Solicitor:	**DAC Beachcroft LLP** Winchester	
Internal Auditor:	**BDO LLP** Southampton	
External Auditor:	**KMPG LLP** Southampton	

Foreword to the accounts

These accounts for the period ended 31 March 2023 for University Hospitals Dorset 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.

Ms S Harrington
Chief Executive Officer
28 June 2023

Accounting Officer's Statement

Statement of the Chief Executive's responsibilities as the Accounting Officer of University Hospitals Dorset 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 England.

NHS England has given Accounts Directions which require University Hospitals Dorset NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of University Hospitals Dorset 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 England, 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*.

Ms S Harrington
Chief Executive Officer
28 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University Hospitals Dorset NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2023 and of the Group's and Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in March 2023 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

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 in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Group and Trust's services or dissolve the Group and Trust without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and Trust over the going concern period.

Our conclusions based on this work:

- we consider that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or 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 because of the need to achieve financial performance targets delegated to the Group by NHS England.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the funding provided to the Trust during the year. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

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 completeness of expenditure around year end, in response to possible pressures to meet delegated targets.

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 unexpected account pairings, high risk users and material post-closing journal entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- inspecting a sample of invoices of expenditure, in the period around 31 March 2023, to determine whether expenditure had been recognised in the correct accounting period and whether accruals were complete.

Identifying and responding to risks of material misstatement related to 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 Accounting Officer (as required by auditing standards), and discussed with the Accounting Officer the policies and procedures regarding compliance with laws and regulations.

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.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of

compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the regulated nature of the Group's and Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting Officer [and other management] and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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.

Other information in the Annual Report

The Accounting Officer is responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") 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 2022/23. 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 all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

Accounting Officer's responsibilities

As explained more fully in the statement set out on pages 82 and 83, 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 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 either cease the services provided by the Group and Trust or dissolve the Group and Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on pages 82 and 83, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We have planned our work and undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006. We have nothing to report in this respect.

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. 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 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 University Hospitals Dorset NHS Foundation Trust for the year ended 31 March 2023 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
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

29 June 2023

Statement of Comprehensive Income

		Group		Trust	
	Notes	**2022/23**	2021/22	**2022/23**	2021/22
		£'000	£'000	**£'000**	£'000
Operating income from continuing operations	4	**781,987**	729,201	**776,953**	726,480
Operating expenses of continuing operations	7	**(775,491)**	(720,773)	**(771,926)**	(718,327)
OPERATING SURPLUS		**6,496**	8,428	**5,027**	8,153
FINANCE COSTS					
Finance income: Interest receivable	12	**1,978**	49	**1,815**	40
Finance expense: Interest payable	13	**(768)**	(669)	**(768)**	(669)
Finance expense: Unwinding of discount on provisions	13	**5**	5	**5**	5
Public Dividend Capital: Dividends payable		**(9,959)**	(9,059)	**(9,959)**	(9,059)
Other gains / (losses)		**(313)**	93	**149**	93
Movement in fair value of investment property and other investments		**-**	203	**-**	-
Profit from Joint Venture	12.2	**1,338**	265	**1,338**	265
DEFICIT FOR THE YEAR		**(1,223)**	(685)	**(2,393)**	(1,172)
Other comprehensive Income					
Revaluation (credited to revaluation reserve)		**10,147**	10,153	**10,136**	10,153
Other reserve movements		**-**	(30)	**-**	(117)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,924**	9,438	**7,743**	8,864

The notes on pages A13 to A41 form part of these accounts.

Note a. 2022/23 Control Total	**2022/23**	**2021/22**
	£'000	**£'000**
Deficit for the year (above)	**(2,393)**	**(1,172)**
Add back impairment	**2,073**	**1,532**
Add donated capital/fixed asset disposal adjustment	**29**	**(194)**
Control total surplus/(deficit)	**(291)**	**166**
Add BHT surplus	**479**	**182**
Control total surplus	**188**	**348**
Agreed control total surplus	**-**	**-**
Performance against control total	**188**	**348**

Statement of Financial Position

		Group		Trust	
	Notes	**31 March 2023**	31 March 2022	**31 March 2023**	31 March 2022
		£'000	£'000	**£'000**	£'000
Non-current assets					
Intangible assets	14	**19,264**	18,184	**19,264**	18,184
Property, plant and equipment	14	**510,389**	424,166	**510,210**	423,934
Right of use assets	14	**13,063**	-	**13,063**	-
Investments in LLP Joint Venture	12.2	**1,646**	1,240	**1,646**	1,240
Other Investments	12.3	**7,540**	8,002	**-**	-
Trade and other receivables	18	**997**	783	**997**	783
Total non-current assets		**552,899**	452,375	**545,181**	444,141
Current assets					
Inventories	17	**8,556**	7,844	**8,556**	7,844
Trade and other receivables	18	**34,894**	20,983	**34,748**	21,040
Other financial assets		**82**	68	**-**	-
Cash and cash equivalents	19	**103,400**	117,726	**92,126**	108,307
Total current assets		**146,932**	146,621	**135,430**	137,191
Current liabilities					
Trade and other payables	20	**(107,117)**	(108,689)	**(102,951)**	(104,839)
Borrowings	22	**(3,253)**	(6,094)	**(3,253)**	(6,094)
Provisions	24	**(1,529)**	(5,909)	**(1,529)**	(5,909)
Other liabilities	21	**(3,691)**	(6,921)	**(3,691)**	(6,921)
Total current liabilities		**(115,590)**	(127,613)	**(111,424)**	(123,763)
Total assets less current liabilities		**584,241**	471,383	**569,187**	457,568
Non-current liabilities					
Borrowings	22	**(46,507)**	(25,350)	**(46,507)**	(25,350)
Provisions	24	**(3,247)**	(3,168)	**(3,247)**	(3,168)
Other liabilities	21	**(788)**	(820)	**(788)**	(820)
Total non-current liabilities		**(50,542)**	(29,338)	**(50,542)**	(29,338)
Total assets employed:		**533,699**	442,045	**518,645**	428,231
Taxpayers' equity					
Public Dividend Capital		**378,776**	296,046	**378,776**	296,046
Revaluation reserve		**94,570**	94,046	**94,570**	94,046
BHT Charitable Fund Reserve		**2,348**	1,809	**-**	-
Income and expenditure reserve		**45,297**	38,139	**45,297**	38,139
NHS Charitable Fund Reserve	34	**12,707**	12,005	**-**	-
Total Taxpayers' equity:		**533,699**	442,045	**518,644**	428,231

The notes on pages 15 to 56 form part of these accounts.

The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, and Statement of Cash Flows were approved by the Foundation Trust Board on [date TBC] and signed on its behalf by:

Ms S Harrington, Chief Executive Officer, 28 June 2023

Statement of Changes in Taxpayers' Equity

	Trust				BHT Charity	UHD Charity	Group
	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Trust Reserves	Other Reserves	Charitable Fund Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Current Year							
Taxpayers' Equity at 1 April 2022	**296,046**	**94,046**	**38,139**	**428,231**	**1,809**	**12,005**	**442,045**
Surplus /(Deficit) for the year	-	-	(2,453)	(2,453)	539	691	(1,223)
Transfers between reserves	-	(2,346)	2,346	-	-	-	-
Impairment losses on property, plant and equipment	-	-	-	-	-	11	11
Revaluations of property, plant and equipment	-	10,136	-	10,136	-	-	10,136
Public Dividend Capital received	82,730	-	-	82,730	-	-	82,730
Other movements	-	(7,266)	7,266	-	-	-	-
Taxpayers' Equity at 31 March 2023	**378,776**	**94,570**	**45,298**	**518,644**	**2,348**	**12,707**	**533,699**

	Trust				BHT Charity	UHD Charity	Group
	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Trust Reserves	Other Reserves	Charitable Fund Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Prior Year							
Taxpayers' Equity at 31 March 2021	**243,243**	**86,025**	**37,121**	**366,389**	**1,713**	**11,702**	**379,804**
Surplus /(Deficit) for the year	-	-	(1,172)	(1,172)	184	303	(685)
Impairment losses on property, plant and equipment	-	(2,132)	2,132	-	-	-	-
Revaluations on property ,plant and equipment	-	10,153	-	10,153	-	-	10,153
Public Dividend Capital received	52,803	-	-	52,803	-	-	52,803
Other reserves movements	-	-	58	58	(88)	-	(30)
Taxpayers' Equity at 31 March 2022	**296,046**	**94,046**	**38,139**	**428,231**	**1,809**	**12,005**	**442,045**

The notes on pages 15 to 56 form part of these accounts.

Statement of Cash Flows

	Notes	Group				Trust			
		2022/23		2021/22		2022/23		2021/22	
		£'000		£'000		£'000		£'000	
Cash flows from operating activities									
Operating surplus from continuing operations			**6,496**		8,428		**5,027**		8,153
Operating surplus of discontinued operations			**-**		-		**-**		-
Operating surplus/(Deficit)			**6,496**		8,428		**5,027**		8,153
Non-cash income and expense									
Depreciation and amortisation	14	**26,675**		22,583		**26,611**		22,577	
Impairments / Reversal of Impairments	14	**2,073**		1,532		**2,073**		1,532	
Non-cash donations/grants credited to income		**(1,531)**		(929)		**(1,531)**		(929)	
Amortisation of PFI credit		**-**		-		**-**		-	
On SoFP pension liability - employer contributions paid less net charge to the SOCI		**-**		-		**-**			
(Increase)/Decrease in Trade and Other Receivables		**(14,006)**		(1,582)		**(13,966)**		(1,940)	
(Increase)/Decrease in Other Assets		**-**		-		**-**		-	
(Increase)/Decrease in Inventories		**(712)**		(755)		**(712)**		(755)	
Increase/(Decrease) in Trade and Other Payables		**6,485**		(4,073)		**6,331**		(2,347)	
Increase/(Decrease) in Other Liabilitiies		**(3,262)**		1,689		**(3,262)**		1,689	
(Increase)/Decrease in provisions		**(4,296)**		1,889		**(4,296)**		1,889	
NHS Charitable Funds - net adjustments for working capital movements and non-cash transactions		**209**		(72)		**209**		(72)	
Corporation tax (paid) / received		**-**		-		**-**			
Movements in operating cash flows of discontinued operations		**-**		-		**-**		-	
Other movements in operating cash flows		**902**		-		**692**		-	
			12,537		20,282		**12,150**		21,644
Net cash flow from operations			**19,033**		28,710		**17,177**		29,797
Cash flow from investing activities									
Interest received		**1,815**		40		**1,815**		40	
Purchase of financial assets		**-**		-		**-**		-	
Sales of financial assets		**-**		901		**-**		901	
Purchase of intangible assets		**(5,862)**		(1,984)		**(5,862)**		(1,984)	
Sales of intangible assets		**-**		-		**-**		-	
Purchase of property, plant and equipment		**(114,589)**		(59,825)		**(114,589)**		(59,825)	
Sales of Property, Plant and Equipment		**149**		93		**149**		93	
Cash donations to purchase capital assets		**1,562**		931		**1,562**		931	
Cash from acquisitions of business units and subsidiaries		**-**		-		**-**		-	
Cash from (disposals) of business units and subsidiaries		**-**		-		**-**		-	
NHS Charitable funds - net cash flow from investing activities		**-**		(1,500)		**-**		-	
Net cash flow from investing activities			**(116,925)**		(61,344)		**(116,925)**		(59,844)

	Notes	Group				Trust			
		2022/23		2021/22		2022/23		2021/22	
		£'000		£'000		£'000		£'000	
Cash flow from financing activities									
Public dividend capital received		**85,480**		52,803		**85,480**		52,803	
Public dividend capital repaid		**(2,750)**		-		**(2,750)**		-	
Loans received and repaid		**12,091**		(2,140)		**12,091**		(2,140)	
Other capital receipts		**-**		-		**-**		-	
Capital element of finance lease rental payments		**(1,379)**		(277)		**(1,379)**		(277)	
Capital element of Private Finance Initiative obligations		**-**		-		**-**		-	
Interest on DHSC loans		**(607)**		(674)		**(607)**		(674)	
Interest on other loans		**-**		-		**-**		-	
Interest on other loans		**-**		-					
Interest element of finance lease		**(0)**		(2)		**(0)**		(2)	
Interest element of Private Finance Initiative obligations		**-**		-		**-**		-	
PDC Dividend paid		**(9,269)**		(8,887)		**(9,269)**		(8,887)	
Cash flows attributable to financing activities of discontinued operations		**-**		-		**-**		-	
NHS Charitable funds - net cash flows from financing activities		**-**		-		**-**		-	
Cash flows from (used in) other financing activities		**-**		-		**-**		-	
			83,566		40,823		**83,566**		40,823
Net increase in cash and cash equivalents			**(14,326)**		8,189		**(16,182)**		10,773
Cash and cash equivalents at 1 April			**117,726**		109,537		**108,308**		97,534
Cash and cash equivalents at end of year	19		**103,400**		117,726		**92,126**		108,307

The notes on pages 15 to 56 form part of these accounts.

Notes to the accounts

1 Accounting policies

1.1 Accounting policies and other information

NHS England, 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 2022/23 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 financial statements have been prepared under historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken from outside the public sector. Activities are considered 'discontinued' if they transfer from one public body to another. The Foundation Trust has no acquisitions or discontinued operations to report within these accounts.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually revised.

Details of key accounting judgements and estimations are contained within Note 31 to these accounts.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Finance and Performance Committee that makes strategic decisions.

Accounting standards that have been issued but have not yet been adopted

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Prior year restatements

Each year, the reporting requirements of Foundation Trusts are refreshed, and as a result, some income and expenditure classifications may be updated to improve transparency. In these instances, both the current year and the prior year disclosures are updated. In addition, if in preparing the accounts, corrections are identified to prior year classifications, these will be updated and clearly marked as "restated".

Basis of consolidation

The consolidated financial statements include the following, in addition to the trust.

University Hospitals Dorset NHS Charity and Poole Hospital NHS Foundation Trust Charitable Fund

The NHS Foundation Trust is the corporate trustee of both University Hospitals Dorset NHS Charity (Charity Registration number 1057366) and Poole Hospital NHS Foundation Trust Charitable Fund (Charity Registration number 1058808, existing in shadow form only). The Foundation Trust has assessed its relationship to the respective charitable funds and determined them to be subsidiaries 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 funds and has the ability to affect those returns and other benefits through its power over the funds.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice, 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.

Bournemouth and Poole Healthcare Trust - Company Registration Number: 06430101

Private patient services within the NHS Foundation Trust are delivered through Private Health University Hosptials Dorset Limited (PHUHD Company Registration Number 06434541), which is a trading subsidiary of the registered charity, Bournemouth and Poole Healthcare Trust (BHT) (Charity Registration number 1122497). With effect from 1 February 2016, a number of the NHS Foundation Trust directors were appointed as directors on the PHUHD Board and as Trustees of BPHT. This secured a more integrated and robust approach to private patient provision and governance.

As a result of this, the NHS Foundation Trust has reassessed its relationship to BHT (including its trading subsidiary PHUHD), 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 charity and has the ability to affect those returns and other benefits through its power over the charity.

The charity's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice, 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.

This resulted in £1.2 million of income and £723,000 of expenditure being consolidated into the Foundation Trusts accounts togther with a number of Statement of Financial Position balances, most notably the introduction of the BHT Charitable Fund Reserve, with a closing balance of £2.3 million.

Christchurch Fairmile Village Limited Liability Partnership: Company Registration Number OC395417

The Foundation Trust was a voting member of the joint venture, Christchurch Fairmile Village Limited Liability Partnership, which was incorporated on 19 September 2014.

In March 2019, the Foundation Trust sold half of its interest in this LLP. As a result of this, the NHS Foundation Trust has reassessed its relationship to Christchurch Fairmile Village Limited Liability Partnership and determined it to be an associate because the Foundation Trust has the power to exercise significant influence.

Dorset Heart Clinic Limited Liability Partnership: Company Registration Number OC414702

The Foundation Trust is a voting member of the joint venture, Dorset Heart Clinic Limited Liability Partnership, which was incorporated on 21 November 2016. The joint venture has been consolidated within these accounts using the equity method.

1.2 Revenue

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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts. [Where variable element of API contracts has been operated locally:] These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increases or reduces the income earned by the Trust at a rate of 75% of thetariff price.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was ccounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria. Adjustments for actual performance are made through the variable element of the contract payments.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performamce obligations are satified. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligtion each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time, depending upon the terms of the contract.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

NHS injury cost recovery scheme

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

Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Charitable Funds

Income is received from donations, legacies, fund raising events and from other charitable bodies.

Education and training

Revenue is recognised when the conditions of education and training contracts have been met.

Interest

Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

Car Parking

The Foundation Trust operates car parking services for employees and patients. Revenue is recognised when the Foundation Trust collects charges from employees and the public.

Catering services

The Foundation Trust operates canteen services for employees and patients. Revenue is recognised when the Foundation Trust sells to the employees and the public. Canteen sales are usually by cash or by debit card.

Rental income

The Foundation Trust owns some residential properties which are let out to members of staff and related parties. Rental income is recognised on a straight-line basis over the term of the lease.

Income from the sale of non-current assets

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

1.3 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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

1.4 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 Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item individually has a cost of at least £5,000; or
- collectively, a group of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates, and are under single managerial control; or
- it forms part of the initial equipping and setting-up cost of a new building, refurbishment of a ward or unit irrespective of its 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 economic lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the entity 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.

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 current value.

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.

All land and buildings are revalued using professional valuations in accordance with International Accounting Standard (IAS) 16 every five years. A three yearly interim valuation is also carried out. Additional valuations are carried out as appropriate.

Professional valuations are carried out by the Foundation Trust's appointed external Valuer (Cushman & Wakefield). The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A desktop valuation (excluding Assets Under Construction/ Work In Progress) was undertaken as at 31 March 2023. This value has been included in the closing Statement of Financial Position.

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. 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.

Assets in the course of construction are valued at current cost. Larger schemes are valued by the district valuer on completion or when brought into use, and all schemes are valued as part of the three/ five yearly revaluation.

Operational equipment is valued at net current replacement cost.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. The estimated useful lives of assets are summarised below.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon this reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

As at 31 March 2023, there were no assets classified as 'Held for Sale'.

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'.

Impairments

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

	Minimum Life (years)	Maximum Life (years)
Buildings and dwellings	8	100
Furniture / fittings	5	20
Set-up costs	5	15
Medical and other equipment	5	15
Vehicles	7	15
Radiology equipment	5	10
IT equipment	2	7

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating 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 asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable, for example:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within twelve months of the date of the classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other grant funded assets

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

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

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 Foundation 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 Foundation Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the product is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Foundation Trust intends to complete the asset and sell or use it;
- the Foundation Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits;
- adequate financial, technical and other resources are available to the Foundation Trust to complete the development and sell or use the asset; and
- the Foundation Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware (for example, 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 (for example, application software) is capitalised as an intangible asset.

Measurement

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

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits. The estimated useful live of assets are summarised below:

	Minimum (years)	Maximum (years)
Software	2	7

1.7 Revenue government and other grants

Government grants are grants from Government bodies other than income from Integrated Care Boards (ICBs), Specialist Commissioners, NHS Foundation Trusts or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Due to the high turnover of stocks within the Foundation Trust, current cost is used as a fair estimate of current value.

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 leasing arrangements 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 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 current investments, cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

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

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

Impairment of financial assets

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

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

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 cash flows from the assets have expired or the Foundation 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.

1.10 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

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

Operating leases

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

Initial application of IFRS16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

1.11 Provisions

The 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 the discount rates published and mandated by HM Treasury.

Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 23 but is not recognised in the Trust's accounts.

Non-Clinical Risk Pooling

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

1.12 Contingencies

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

Contingent liabilities are not recognised, but are disclosed by note 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 Foundation Trust'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 (PDC) and PDC Dividend

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 International Accounting Standard 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the 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 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 assets (including lottery funded assets), (ii) grant funded and assets purchased in repose to COVID-19, (iii) 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 short-term working capital facility, and (iiv) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health (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 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

Under current legislation, Foundation Trusts are not liable for corporation tax.

1.16 Foreign Exchange

The functional and presentation currency of the Foundation Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

1.17 Third party assets

Assets belonging to third parties, (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them. However, they are disclosed within Note 19 to the accounts in accordance with the requirements of HM Treasury's FReM.

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, including losses which would have been made good through insurance

cover had the Foundation Trust not been bearing it's own risks (with insurance premiums then being included as normal revenue expenditure).

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

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.

1.20 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.

1.21 Investments

The Foundation Trust does not have any investments and the cash is held primarily in the Government Banking Service.

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust Charitable Fund does hold investments, both Fixed Asset Investments and Short-Term Investments:

Charitable Fund Fixed Asset Investments

Investment Fixed Assets are shown at Market Value, as detailed in the Statement of Financial Position.

The Trustee's policy is to invest charitable funds with investments that maximise capital and are the most suitable investment type. The long-term objective is to invest capital that will give the maximum growth on income with minimal risk. The investment held as at the Statement of Financial Position date are units within a managed Investment Portfolio and are included in the Statement of Financial Position at the closing price at 31 March 2023. Investments comprise equities, gilts, other fixed interest investments and pooled funds, the majority of which are quoted investments.

All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later).

Charitable Fund Short-Term Investments

Short-Term Investments include Stocks and Equities that have been received as part of Legacy distributions given to the Charitable Fund. These are revalued at the year-end and any gain or loss on revaluation of the investment asset is shown in the Statement of Comprehensive Income.

2 Operating segments

The Foundation Trust has determined the operating segments based on the reports reviewed by the Finance and Performance Committee that are used to make strategic decisions. The Finance and Performance Committee considers the Foundation Trust's business from a services perspective as "Healthcare" and only one segment is therefore reported.

The segment information provided to the Finance and Performance Committee for the reportable segments for the year ended 31 March 2023 is as follows:

	Group		Trust	
	Healthcare 2022/23	Healthcare 2021/22	**Healthcare 2022/23**	Healthcare 2021/22
	£'000	£'000	**£'000**	£'000
Segment revenue	**781,987**	729,201	**776,953**	726,480
Patient and other income	**781,987**	729,201	**776,953**	726,480

It is appropriate to aggregate the Trust's activities as, in accordance with IFRS 8: Operating Segments, they are similar in each of the following respects:

- the nature of the products and services;
- the nature of the production processes;
- the type of class of customer for their products and services;
- the methods used to distribute their products or provide their services; and
- the nature of the regulatory environment.

3 Income generation activities

The Foundation Trust has not materially undertaken any other income generation activities with an aim of achieving profit.

4 Operating income

4.1 Income from patient related activities

	Group		Trust	
	Continuing Operations 2022/23	Continuing Operations 2021/22	**Continuing Operations 2022/23**	Continuing Operations 2021/22
	£'000	£'000	**£'000**	£'000
Foundation Trusts and NHS Trusts	**4,540**	4,538	**4,540**	4,538
Clinical Commissioning Groups	**135,055**	538,836	**135,055**	538,836
Integrated Care Boards	**421,586**	-	**421,586**	-
NHS England	**151,974**	126,606	**151,974**	126,606
NHS Other	69	-	**69**	-
Non NHS:				
- Private Patients	**4,707**	3,930	**3,505**	3,055
- Overseas Patients (non-reciprocal)	**347**	50	**347**	50
- NHS Injury Scheme Income	**1,505**	1,897	**1,505**	1,897
- Other	**47**	50	**47**	50
	719,830	675,907	**718,628**	675,032

The Trust recognises a notional income amount of £19,475,000 for the additional pension contribution that is funded centrally. This is included within the NHS England figures above and is matched by notional expenditure as detailed in Note 7.

The NHS Injury Scheme Income above is reported gross and a 24.86% doubtful debt provision is included in expenditure, which represents expected recovery rates.

4.2 Other operating income

	Group		Trust	
	Continuing Operations 2022/23	Continuing Operations 2021/22	**Continuing Operations 2022/23**	Continuing Operations 2021/22
	£'000	£'000	**£'000**	£'000
Research and development	**3,850**	3,907	**3,850**	3,907
Education and training	**23,520**	21,819	**23,520**	21,819
NHS Charities - capital acquisitions (donated assets)	**-**	-	**-**	903
Cash grants for the purchase of capital assets - received from other bodies	**1,531**	929	**1,531**	929
Received from other bodies: Other charitable and other contributions to expenditure	**3,315**	2,797	**3,315**	2,797
Donated consumables from DHSC - contritubions to expenditure for COVID response	**1,457**	1,882	**1,457**	1,882
NHS Charitable Funds: Incoming Resources excluding investment income	**3,832**	2,749	**-**	-
Non-patient care services to other bodies	**8,005**	7,713	**8,005**	7,713
Education and training - notional income from apprenticeship fund	**1,363**	1,267	**1,363**	1,267
Top up	**672**	1,956	**672**	1,956
Other:				
- NHS drug sales	**63**	62	**63**	62
- Car parking	**2,082**	910	**2,082**	910
- Catering services	**1,978**	1,587	**1,978**	1,587
- Miscellaneous other	**8,848**	4,588	**8,848**	4,588
Income from operating leases	**1,641**	1,128	**1,641**	1,128
Total	**62,157**	53,294	**58,325**	51,448
Total income	**781,987**	729,201	**776,953**	726,480

5 Private patient monitoring

The Foundation Trust has met the requirement in section 43(2A) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) which requires that the income from the provision of goods and services for the purpose of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

6 Mandatory and non-mandatory income from activities

	Group		Trust	
	2022/23	2021/22	**2022/23**	2021/22
	£'000	£'000	**£'000**	£'000
Commissioner requested services	**743,350**	697,726	**742,148**	696,851
Non Commissioner requested services	**38,637**	31,475	**34,805**	29,629
	781,987	729,201	**776,953**	726,480

7 Operating expenses

	Group		Trust	
	Continuing Operations 2022/23	Continuing Operations 2021/22	**Continuing Operations 2022/23**	Continuing Operations 2021/22
	£'000	£'000	**£'000**	£'000
Purchase of healthcare from NHS and DHSC bodies	**4,841**	3,973	**4,841**	3,973
Purchase of healthcare from non-NHS and non-DHSC bodies	**10,738**	11,353	**10,738**	11,353
Purchase of social care	**3**	103	**3**	103
Employee Expenses - Executive directors	**1,641**	1,792	**1,641**	1,792
Employee Expenses - Non-executive directors	**159**	187	**159**	187
Employee Expenses - Staff	**501,275**	450,390	**501,275**	450,390
Employee Expenses - Redundancy	**22**	-	**22**	-
Employee Expenses - Notional employer contributions paid by NHSE (6.3%)	**19,475**	18,565	**19,475**	18,565
Supplies and services - clinical (excluding drug costs)	**56,097**	58,389	**56,097**	58,389
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**1,457**	1,882	**1,457**	1,882
Supplies and services - general	**13,742**	11,946	**13,742**	11,946
Establishment	**4,533**	5,222	**4,533**	5,222
Research and development (excluding Employee Expenses)	**4**	485	**4**	485
Education and training - non-staff costs	**2,676**	3,055	**2,676**	3,055
Education and training - notional expenditure funded from apprenticeship fund	**1,363**	1,267	**1,363**	1,267
Transport (staff travel)	**194**	808	**194**	808
Transport (patient transport services)	**995**	708	**995**	708
Premises - Rates	**2,160**	2,795	**2,160**	2,795

	Group		Trust	
	Continuing Operations 2022/23	Continuing Operations 2021/22	**Continuing Operations 2022/23**	Continuing Operations 2021/22
	£'000	£'000	**£'000**	£'000
Premises	**25,850**	25,750	**25,850**	25,750
Movement in credit loss allowance: all other receivables & investments	**470**	250	**470**	250
Movement in credit loss allowance: contract receivables/assets	**209**	142	**209**	142
Provisions arising / released in year	**(311)**	818	**(311)**	818
Change in provisions discount rate(s)	**40**	-	**40**	-
Drug costs	**74,918**	66,208	**74,918**	66,208
Operating lease payments	**17**	26	**17**	26
Depreciation on property, plant and equipment	**22,956**	19,147	**22,892**	19,141
Amortisation on intangible assets	**3,719**	3,436	**3,719**	3,436
Impairments net of (reversals)	**2,073**	1,532	**2,073**	1,532
Audit fees:				
External audit services - financial statement audit	**127**	110	**127**	110
External audit services - charitable fund accounts	**8**	6	**-**	-
Internal Audit and Counter Fraud	**179**	185	**179**	185
Clinical negligence premium	**16,340**	15,401	**16,340**	15,401
Legal fees	**659**	810	**659**	810
Consultancy costs	**-**	29	**-**	29
Insurance	**514**	561	**514**	561
Other services	**3,416**	11,507	**2,753**	10,817
Charges to operating expenditure for off-SoFP PFI scheme	**67**	168	**67**	168
Losses, ex gratia and special payments	**35**	23	**35**	23
NHS Charitable funds: Other resources expended (balance not analysed above)	**2,830**	1,744	**-**	-
Total	**775,491**	720,773	**771,926**	718,327

The Trust has made no donations / contributions to any political party.

8 Operating leases

8.1 Operating leases, as lessee

	Group	Trust
	2022/23	2021/22
	£'000	£'000
Total operating leases	**17**	26
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
lease ending:		
No later than one year	**-**	16
Total	**-**	16

8.2 Operating leases, as lessor

The Foundation Trust owns some properties from which rental income is derived. These are properties which are leased out to members of staff and the contracts are normally one year. The Foundation Trust also leases some office spaces to some contractors and service providers at the hospital sites. None of the leases include contingent rents and there are no onerous restrictions. The income recognised through the Statement of Comprehensive Income during the year is disclosed as:

	Group	Trust
	2022/23	2021/22
	£'000	£'000
Operating leases	**1,641**	1,128
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
No later than one year	**1,641**	1,101
Later than one year	**-**	3,096
Total	**1,641**	4,197

9 Staff costs and numbers

9.1 Staff costs

	Group		Trust	
	2022/23	2021/22	**2022/23**	2021/22
	£'000	£'000	**£'000**	£'000
Salaries and wages	**397,508**	354,566	**397,508**	354,566
Social security costs	**39,690**	34,857	**39,690**	34,857
Apprenticeship Levy	**1,873**	1,768	**1,873**	1,768
Employer's contributions to NHS Pensions	**44,262**	42,369	**44,262**	42,369
Pension Cost - other contributions	**19,475**	18,565	**19,475**	18,565
Agency/contract staff	**23,801**	19,214	**23,801**	19,214
Pension costs - other	**112**	104	**112**	104
Total	**526,721**	471,443	**526,721**	471,443

This note excludes Non-Executive Directors, in line with national guidance.

9.2 Average number of persons employed

	2022/23	2021/22
	Number	Number
Medical and dental	1,172	1,132
Administration and estates	1,291	1,234
Healthcare assistants and other support staff	1,502	1,585
Nursing, midwifery and health visiting staff	2,841	2,747
Scientific, therapeutic and technical staff	2,202	2,194
Healthcare science staff	135	118
Total	**9,143**	9,010
Of which:		
Permanent	8,242	8,088
Other	901	922
Total	**9,143**	9,010

This note excludes Non-Executive Directors, in line with national guidance.

9.3 Staff exit packages

There were no extra contractual staff exit packages agreed in 2022/23.

10 Retirements due to ill-health

There were thirrteen early retirements from the Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill health retirements will be £1.6 million Any costs of ill-health retirements are borne by the NHS Pensions Agency.

11 The Late Payment of Commercial Debts (Interest) Act 1998

There were minimal payments of interest for commercial debts.

12 Investment revenue

12.1 Investment revenue

	Group		Trust	
	2022/23	2021/22	**2022/23**	2021/22
			£'000	£'000
Interest on bank accounts	**1,815**	40	**1,815**	40
NHS charitable funds: investment income	**163**	9	**-**	-
Total	**1,978**	49	**1,815**	40

Government Banking Service interest is paid at 0.11% below the Bank of England Base rate.

12.2 Investment in joint venture

	Group / Trust	
	2022/23	2021/22
	£'000	£'000
Opening Balance	**1,240**	2,141
Share of profit / (loss)	**1,338**	265
Disbursements / dividends received	**(932)**	(1,166)
Closing Balance	**1,646**	1,240

University Hospitals Dorset NHS Foundation Trust holds a 25% share of the Christchurch Fairmile Village Limited Liability Partnership (CFV LLP) and a 50% share of the Dorset Heart Clinic Limited Liability Partnership (DHC LLP).

CFV LLP was established during 2014 to operate a residential care home and the sale of retirement living accommodation; DHC LLP was established in 2016 to provide the provision of cardiology services to patients requiring private healthcare.

12.3 Charity investments

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
Opening Balance	**8,002**	6,320	**-**	-
Acquisitions	**-**	1,479	**-**	-
Movement in fair value	**(462)**	203	**-**	-
Closing Balance	**7,540**	8,002	**-**	-

Due to the volatility in the global investment market the Trust Charity has incurred a £462,000 reduction in it's investment holding. However, the investment is performing well against the benchmark of MSCI Private Investor Income Index and remains above the initial amount invested.

12.4 Other financial assets

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
Fixed Deposit (less than one year)	**82**	68	**-**	-
Total	**82**	68	**-**	-

13 Finance costs

	Group / Trust	
	2022/23	2021/22
	£'000	£'000
Loans from the Independent Trust Financing Facility	**598**	667
Finance leases	**170**	2
Unwinding of discount on provisions	**(5)**	(5)
Total	**763**	664

14 Intangible assets, property, plant and equipment

	Group												Trust
	Intangible	Tangible									TOTAL		TOTAL
	Software Licences (incl Work in progess)	Land (Freehold)	Buildings excluding dwellings (Freehold)	Dwellings (Freehold)	Assets Under Construction / Work In Progress	Plant and Machinery	Transport Equipment	Information Technology	Furniture and fittings	NHS Charitable fund assets	Non Current Assets	Less Non-Trust Assets	Trust Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2022	36,338	38,438	245,589	6,288	74,466	148,816	390	37,070	2,889	178	590,462	1,397	589,065
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	-	-	(4,399)	-	-	(4,843)	-	(1,147)	-	-	(10,389)	-	(10,389)
Additions - purchased / internally generated	5,862	4	1,806	155	99,069	2,780	13	273	-	-	109,962	-	109,962
Additions - assets purchased from cash donations/grants	-	-	132	-	600	718	-	109	3	-	1,562	-	1,562
Impairments charged to operating expenses	-	1,709	(3,977)	195	-	-	-	-	-	-	(2,073)	-	(2,073)
Impairments charged to the revaluation reserve	-	-	(9,612)	-	-	-	-	-	-	-	(9,612)	-	(9,612)
Revaluations	-	(876)	1,691	9,321	-	-	-	-	-	11	10,147	11	10,136
Reclassifications	266	-	(9,604)	-	(7,941)	3,570	231	2,819	8,680	-	(1,979)	-	(1,979)
Disposals	-	-	-	-	-	(4,272)	-	-	-	-	(4,272)	-	(4,272)
Cost or valuation at 31 March 2023	**42,466**	**39,275**	**221,626**	**15,959**	**166,194**	**146,769**	**634**	**39,124**	**11,572**	**189**	**683,808**	**1,408**	**682,400**
Accumulated depreciation at 1 April 2022	18,153	-	11,526	238	-	89,010	321	27,481	1,376	6	148,111	1,165	146,946
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	-	-	(176)	-	-	(2,286)	-	(1,012)	-	-	(3,474)	-	(3,474)
Provided during the year	3,719	-	7,941	185	-	9,813	64	2,916	738	4	25,380	64	25,316
Impairments - Revaluation reserve	-	-	(9,612)	-	-	-	-	-	-	-	(9,612)	-	(9,612)
Reclassifications	1,329	-	(1,986)	-	-	-	-	(1,322)	-	-	(1,979)	-	(1,979)
Disposals	-	-	-	-	-	(4,272)	-	-	-	-	(4,272)	-	(4,272)
Accumulated depreciation at 31 March 2023	**23,201**	**-**	**7,693**	**423**	**-**	**92,265**	**385**	**28,063**	**2,114**	**10**	**154,154**	**1,129**	**152,925**
Net book value													
Owned	19,264	39,275	201,692	15,536	165,594	49,514	220	10,940	9,430	179	511,645	179	511,466
Donated	-	-	12,241	-	600	4,452	29	121	28	-	17,471	-	17,471
Owned - equipment donated from DHSC and NHSE for COVID response		-	-	-	-	538	-	-	-	-	538		538
NBV total at 31 March 2023	**19,264**	**39,275**	**213,933**	**15,536**	**166,194**	**54,504**	**249**	**11,061**	**9,458**	**179**	**529,654**	**179**	**529,475**

The Foundation Trust leases various medical equipment/ IT under non-cancellable finance lease agreements. The lease terms are between five and seven years.

14 Intangible assets, property, plant and equipment prior year

	Group												Trust
	Intangible	Tangible									TOTAL		TOTAL
	Software Licences (incl Work in progess)	Land (Freehold)	Buildings excluding dwellings (Freehold)	Dwellings (Freehold)	Assets Under Construction / Work In Progress	Plant and Machinery	Transport Equipment	Information Technology	Furniture and fittings	NHS Charitable fund assets	Non Current Assets	Less Non-Trust Assets	Trust Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2021	31,491	37,733	211,307	5,909	50,197	132,953	393	34,465	2,562	168	507,178	168	507,010
Additions	1,984	4	12,369	258	50,979	4,498	-	2,315	649	-	73,056	-	73,056
Additions - leased	-	-	-	-	-	2,649	-	-	-	-	2,649	-	2,649
Additions - assets purchased from cash donations/grants		-	1,002	-	-	824	-	8	-	10	1,844	10	1,834
Impairments - Operating expenses	-	-	(1,811)	(252)	-	-	-	-	-	-	(2,063)	-	(2,063)
Impairments - Revaluation reserve	-	-	(50)	-	-	-	-	-	-	-	(50)	-	(50)
Reversal of impairments credited to operating expenses	-	154	286	91	-	-	-	-	-	-	531	-	531
Revaluations	-	704	9,413	36	-	-	-	-	-	-	10,153	-	10,153
Reclassifications	2,862	(157)	13,073	247	(26,710)	10,731	(3)	282	(323)	-	2	-	2
Disposals	-	-	-	-	-	(2,840)	-	-	-	-	(2,840)	-	(2,840)
Cost or valuation at 31 March 2022	**36,337**	**38,438**	**245,589**	**6,289**	**74,466**	**148,815**	**390**	**37,070**	**2,888**	**178**	**590,460**	**178**	**590,282**
Accumulated depreciation at 1 April 2021	14,717	-	3,726	79	-	83,077	295	25,149	1,251	2	128,296	2	128,294
Provided during the year	3,436	-	7,851	158	-	8,651	26	2,333	124	4	22,583	4	22,579
Impairments - Revaluation reserve	-	-	(50)	-	-	-	-	-	-	-	(50)	-	(50)
Disposals	-	-	-	-	-	(2,719)	-	-	-	-	(2,719)	-	(2,719)
Accumulated depreciation at 31 March 2022	**18,153**	**-**	**11,528**	**237**	**-**	**89,009**	**321**	**27,482**	**1,375**	**6**	**138,498**	**6**	**138,492**
Net book value													
Owned	18,184	38,438	221,756	6,052	71,787	53,243	69	9,551	1,513	172	420,765	172	420,593
Finance lease	-	-	-	-	2,679	13	-	-	-	-	2,692	-	2,692
Donated	-	-	12,306	-	-	5,450	-	37	-	-	17,793	-	17,793
Owned - equipment donated from DHSC and NHSE for COVID response		-	-	-	-	1,100	-	-	-	-	1,100		1,100
NBV total at 31 March 2022	**18,184**	**38,438**	**234,061**	**6,052**	**74,466**	**59,806**	**69**	**9,588**	**1,513**	**172**	**451,962**	**172**	**451,790**
The asset classifications are as follows:													
- Protected	-	36,681	231,472	6,052	74,466	59,806	69	9,588	1,513	-	419,647	-	419,647
- Unprotected	18,184	1,757	2,590	-	-	-	-	-	-	172	22,703	172	22,531
Total	**18,184**	**38,438**	**234,062**	**6,052**	**74,466**	**59,806**	**69**	**9,588**	**1,513**	**172**	**442,350**	**172**	**442,177**

The Foundation Trust leases various medical equipment/ IT under non-cancellable finance lease agreements. The lease terms are between five and seven years.

14.1 Intangible assets, property, plant and equipment - Right of use assets

	Group									Trust
	Intangible	Tangible						TOTAL		TOTAL
	Software Licences (incl Work in progess)	Property (land and buildings)	Plant and Machinery	Transport Equipment	Information Technology	Furniture and fittings	NHS Charitable fund assets	Non Current Assets	Less Non-Trust Assets	Trust Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2022	-	-	-	-	-	-	-	-	-	-
At start of period for new FTs	-	4,399	4,843	-	1,147	-	-	10,389	-	10,389
Transfers by absorption	-	7,144	60	-	-	-	-	7,204	-	7,204
Additions - cash lease incentives (reduce the RoU addition value)	-	-	239	-	-	-	-	239	-	239
Cost or valuation at 31 March 2023	**-**	**11,543**	**5,142**	**-**	**1,147**	**-**	**-**	**17,832**	**-**	**17,832**
Accumulated depreciation at 1 April 2022	-	-	-	-	-	-	-	-	-	-
At start of period for new FTs	-	176	2,286	-	1,012	-	-	3,474	-	3,474
Impairments charged to operating expenses	-	514	767	-	14	-	-	1,295	-	1,295
Accumulated depreciation at 31 March 2023	**-**	**690**	**3,053**	**-**	**1,026**	**-**	**-**	**4,769**	**-**	**4,769**
NBV total at 31 March 2023	**-**	**10,853**	**2,089**	**-**	**121**	**-**	**-**	**13,063**	**-**	**13,063**

15 Impairment of property, plant and equipment

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Changes in market price (as advised by the Trust's external valuer)	**2,073**	1,532
Total	**2,073**	1,532

16 Capital commitments

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	**£'000**
Property, plant and equipment	**125,170**	**174,110**
Intangible assets	**4,626**	**2,909**
Total	**129,796**	**177,019**

17 Inventories

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Drugs	**3,631**	3,234
Consumables	**4,924**	4,610
Total	**8,556**	7,844

Consumables donated from DHSC relating to the COVID-19 pandemic have been included in operating income and expenditure, rather than classified as inventory items.

17.1 Inventories recognised in expenses

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Inventories recognised as an expense in the period	**75,805**	60,569
Total	**75,805**	60,569

18 Trade and other receivables

18.1 Amounts falling due within one year:

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
Contract receivables (IFRS 15): invoiced	**9,889**	7,656	**9,889**	7,656
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	**23,310**	9,341	**23,225**	9,504
Allowance for impaired contract receivables / assets	**(670)**	(461)	**(670)**	(461)
Allowance for impaired other receivables	**(2,583)**	(2,113)	**(2,583)**	(2,113)
Prepayments (revenue) [non-PFI]	**3,933**	5,078	**3,933**	5,078
PDC dividend receivable	**291**	126	**291**	126
VAT receivable	**663**	1,250	**663**	1,250
NHS charitable funds: receivables	**61**	106	**-**	-
Total	**34,894**	20,983	**34,748**	21,040
Amounts falling due over one year:				
Clinician pension tax provision reimbursement funding from NHSE	**997**	783	**997**	783
Total	**35,891**	21,766	**35,745**	21,823

The provision for impairment of receivables relates to specific receivables.

18.2 Allowances for credit losses (doubtful debts)

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Contract receivables and contract assets:		
At 1 April	**461**	470
New allowances arising	**-**	461
Changes in the calculation of existing allowances	**209**	-
Reversals of allowances (where receivable is collected in-year)	**-**	(319)
Utilisation of allowances (where receivable is written off)	**-**	(151)
At 31 March	**670**	461
All other receivables:		
At 1 April	**2,113**	2,573
New allowances arising	**470**	2,113
Reversals of allowances (where receivable is collected in-year)	**-**	(1,863)
Utilisation of allowances (where receivable is written off)	**-**	(710)
At 31 March	**2,583**	2,113

19 Cash and cash equivalents

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
Balance 1 April	**117,726**	109,537	**108,308**	97,534
Net movement in year	**(14,326)**	8,189	**(16,182)**	10,773
Balance at 31 March	**103,400**	117,726	**92,126**	108,307
Made up of:				
Cash at commercial banks and in hand	**12,186**	11,052	**912**	1,633
Cash with the Government Banking Service	**91,214**	106,674	**91,214**	106,674
Cash and cash equivalents	**103,400**	117,726	**92,126**	108,307

The patient monies amount held on trust was below £1,000, and is not included in the above figures.

20 Trade and other payables

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade payables	**16,604**	26,636	**15,856**	26,189
Capital payables (including capital accruals)	**12,391**	21,318	**12,391**	21,318
Accruals (revenue costs only)	**54,471**	38,677	**54,471**	38,677
Annual leave accrual	**2,615**	2,654	**2,615**	2,654
Receipts in advance (including payments on account)	**194**	198	**194**	198
Social security costs	**5,308**	5,210	**5,308**	5,210
VAT payables	**366**	366	**366**	366
Other taxes payable	**4,780**	4,250	**4,780**	4,250
PDC dividend payable	**863**	8	**863**	8
Pension contributions payable	**6,107**	5,969	**6,107**	5,969
NHS Charitable funds: trade and other payables	**3,418**	3,403	**-**	-
Total	**107,117**	108,689	**102,951**	104,839

21 Other liabilities

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Amounts falling due within one year:		
Receipts in advance - Heart club	**15**	15
Receipts in advance - Other	**3,676**	6,906
Total	**3,691**	6,921
Amounts falling due over one year:		
Receipts in advance - Heart club	**373**	388
Receipts in advance - Other	**415**	432
Total	**4,479**	7,741

22 Borrowings

	Group / Trust	
	31 March 2023	31 March 2022
	£'000	£'000
Finance lease liabilities		
- Current	**242**	2,945
- Non current	**12,984**	4,047
Total	**13,226**	6,992
Independent Trust Financing Facility (ITFF) Loan		
- Current	**3,011**	3,020
- Non current	**33,523**	21,303
Total	**36,534**	24,323
Other loans (non-DHSC)		
- Current	**-**	129
- Non current	**-**	-
Total	**-**	129

As at 31 March 2022, the Trusts ITFF loans relate to the Christchurch Development (£20,317,000 at a fixed annual interest rate of 2.89%) and the development of pathology facilities (£16,217,000 at a fixed annual interest rate of 1.56%). The Christchurch Development loan is repayable over 20 years from 2014, the pathology loan over 25 years from 2024.

23 Finance lease obligations

The Foundation Trust operates as lessee on a number of medical equipment leases. These leases generally run for between 5 - 7 years with options to extend the terms at the expiry of the initial period. None of the leases include contingent rents or onerous restrictions on the Foundation Trust's use of assets concerned.

Additionally, the Foundation Trust operates as a lessee on a number of property finance leases, ranging between 19 - 32 years. A summary of the Foundations Trusts right of use assets resulting from these finance leases is recorded in Note 14 in these accounts.

	Group / Trust	
	31 March 2022	31 March 2021
	£'000	£'000
Amounts payable under finance leases		
Within one year	**242**	2,945
Between one and five years	**2,337**	864
After five years	**10,647**	3,308
Less future finance charges	**-**	(125)
Total	**13,226**	6,992

24 Provisions for liabilities and charges

	Group / Trust				
	£'000	£'000	£'000	£'000	**£'000**
	Early Retirement	Injury Benefit	Legal claims	Other	**Total**
Opening balance	293	1,733	548	6,503	**9,077**
Change in the discount rate	6	34	-	(876)	**(836)**
Arising during the year	-	-	425	1,159	**1,584**
Utilised during the year	(28)	(82)	-	(10)	**(120)**
Reversed unused	-	(86)	-	(4,858)	**(4,944)**
Unwinding of discount	(1)	(4)	-	20	**15**
At 31 March 2021	270	1,595	973	1,938	**4,776**
Expected timing of cashflows:					
Within one year	23	139	973	394	**1,529**
Between one and five years	92	557	-	439	**1,088**
After five years	155	899	(0)	1,105	**2,159**
	270	1,595	973	1,938	**4,776**

Current and non current

Legal Claims

Liability to Third Party and Property Expense Schemes:

The Foundation Trust has liability for the excess of each claim.
The calculation is based on estimated claim values and probability of settlement.

Other Claims

Clinician Pension Tax Scheme:

The provision for Clinican Pensions Tax Scheme has been created as at 31 March 2023 and is calculated using the average discounted value per estimated nomination.

Late Payment of Commercial Debts (Interest) Act 1998:

The Foundation Trust has liability for interest and debt collection fees for invoices settled outside terms.

The calculation is based on estimations of invoices settled and probability of a claim being received.

£204,529,000 is included in the provisions of NHS Resolution at 31 March 2023 in respect of clinical negligence liabilities of the Foundation Trust.

25 Related party transactions

The Foundation Trust is a public benefit corporation established by order of the Secretary of State for Health and Social Care.

During the year none of the Board Members or parties related to them has undertaken any material transactions with the Foundation Trust.

During the year the Foundation Trust has had a number of material transactions with public organisations together with other government bodies that fall within the whole of the government accounts boundary. Entities are listed below where the transaction total (excluding recharges) exceeds £500,000: :

	Group / Trust			
	£'000	£'000	£'000	£'000
	Income	Expenditure	Receivables	Payables
NHS Dorset CCG (ceased 30/06/22)	125,036	39	0	0
NHS Dorset ICB (established 01/07/22)	390,493	582	1,469	4
NHS Hampshire, Southampton & Isle of Wight CCG (established 01/07/22)	8,526	0	0	0
NHS Hampshire & Isle of Wight ICB	26,485	0	26	0
NHS Bath and North East Somerset, Swindon and Wiltshire ICB	1,123	0	0	0
Health Education England	22,717	0	221	0
NHS Resolution (formerly NHS Litigation Authority)	0	15,705	0	10
NHS England - Core	18,497	24	16,451	15
NHS England - Central Specialised Commissioning Hub	12,300	0	526	0
NHS England - South West Regional Office	103,019	0	210	0
Dorset County Hospital	2,348	1,436	751	122
Dorset Healthcare Unversity NHS FT	7,946	1,832	3,697	349
Hampshire Hospitals NHS FT	811	169	191	27
Oxford Health NHS FT	0	572	0	40
University Hospitals Southampton NHS FT	5,362	1,300	835	623
Northern Care Alliance NHS FT	0	607	0	222
Salisbury NHS FT	253	797	46	101
Portsmouth Hospitals University NHS Trust	16	415	0	81
Other transactions less than £500,000	7,595	2,044	383	5,412
	732,527	25,522	24,806	7,006

The Foundation Trust is an agent on behalf of employees and below are material transactions exceeding £500,000:

	Group / Trust			
	£'000	£'000	£'000	£'000
	Income	Expenditure	Receivables	Payables
NHS Pensions Agency	-	63,737	-	6,107
HM Revenue and Customs	-	1,873	-	157
National Insurance Fund	-	39,690	-	5,308
	-	105,300	-	11,572

26 Post statement of financial position events

There were no post statement of financial position events.

27 Financial risk management

Financial instruments are held for the sole purpose of managing the cash flow of the Foundation Trust on a day-to-day basis or arise from the operating activities of the Foundation Trust. The management of risks around these financial instruments therefore relates primarily to the Foundation Trust's overall arrangements for managing risks in relation to its financial position.

Market risk

Interest rate risk

The Foundation Trust has a fixed rate loan from the Independent Trust Financing Facility; plus capitalised finance lease obligations which each have fixed interest rates. As a result of these fixed rates; any interest rate fluctuations will only affect our ability to earn additional interest on our short-term investments.

The Foundation Trust earned interest of £1,815,000 during 2022/23, which is reflecctive of recent Bank of England base rate changes.

Currency risk

The Foundation Trust has minimal risk of currency fluctuations. Most transactions are in sterling. Although there are some purchases of goods from Ireland, where prices are based on the Euro, all payments are made in sterling.

Other risk

The inflation rate on NHS service level agreements is based on the NHS funded inflation, and therefore there is a small risk of budgetary financial pressure.

The majority of pay award inflation is based on the nationally agreed Agenda for Change pay scale, and although funding through the Payment by Results (PbR) tariff does not cover the entire cost (there is an assumed efficiency requirement within the tariff), this represents a small risk.

Credit risk

Debtor control

The majority of pay award inflation is based on the nationally agreed Agenda for Change pay scale, and although funding through the Payment by Results (PbR) tariff does not cover the entire cost (there is an assumed efficiency requirement within the tariff), this represents a small risk.

The majority of pay award inflation is based on the nationally agreed Agenda for Change pay scale, and although funding through the Payment by Results (PbR) tariff does not cover the entire cost (there is an assumed efficiency requirement within the tariff), this represents a small risk.

Provision for doubtful debts

The Foundation Trust reviews non NHS receivables as at 31 March 2023 and as a result of this review, has provided £1,806,000 in relation to doubtful debts. A further £561,000 has been provided for in relation to the Injury Scheme income, in accordance with national requirements.

The Foundation Trust has also reviewed NHS receivables and has provided for doubtful debts amounting to a total of £477,000. This represents either the maximum or probable risk in specific areas and reflects the uncertainty of the financial climate within the healthcare market.

Liquidity risk

Loans

The Foundation Trust has two fixed rate loans from the Independent Trust Financing Facility. Repayments for the first loan commenced in March 2016 and will finish in March 2034, for the second loan repayments will commence in 2024 finishing in March 2049. Further details are available in Note 22.

Creditors

The Foundation Trust has reported a surplus in the current financial year and continues to have a surplus on the retained earnings reserve. In addition, the Foundation Trust has a cash balance of £92,126,000. As such, the Trust is a minimal risk to its creditors.

28 Financial instruments

28.1 Financial assets

	Group				Trust	
	31 March 2023		31 March 2022		**31 March 2023**	31 March 2022
	£'000	**£'000**	£'000	£'000	**£'000**	£'000
	Loans and receivables	**Assets at fair value through Income and Expenditure**	Loans and receivables	Assets at fair value through Income and Expenditure	**Loans and receivables**	Loans and receivables
Assets as per the Statement of Financial Position						
Trade and other receivables excluding non-financial assets	**30,877**	**-**	15,205	-	**30,877**	15,205
Other Investments	**3,933**	**-**	5,078	-	**3,933**	5,078
Cash and cash equivalents at bank and in hand	**95,137**	**-**	110,503	-	**95,137**	110,503
NHS Charitable funds: financial assets as at 31 March	**8,406**	**7,540**	7,397	8,002	**-**	-
Total	**138,353**	**7,540**	138,183	8,002	**129,947**	130,786
Assets held in £ sterling		**145,893**		146,185	**129,947**	130,786

28.2 Financial liabilities

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£'000	£'000	**£'000**	£'000
	Other financial liabilities	Other financial liabilities	**Other financial liabilities**	Other financial liabilities
Liabilities as per the Statement of Financial Position				
Borrowings excluding Finance lease and PFI liabilities	**36,534**	24,323	**36,534**	24,323
Other borrowings excluding finance lease and PFI liabilities	**-**	129	**-**	129
Obligations under finance leases	**13,226**	6,992	**13,226**	6,992
NHS trade and other payables excluding non-financial liabilities	**2,017**	2,890	**2,017**	2,890
Non-NHS trade and other payables excluding non-financial liabilities	**90,171**	92,364	**90,171**	92,364
Provisions under contract	**4,776**	9,077	**4,776**	9,077
NHS Charitable funds: financial liabilities as at 31 March	**3,418**	3,403	**-**	-
Total	**150,142**	139,178	**146,724**	135,775
Liabilities held in £ sterling	**150,142**	139,178	**146,724**	135,775

28.3 Financial assets / liabilities - fair values

	Group		Trust	
	31 March 2023		**31 March 2023**	
	£'000	**£'000**	**£'000**	**£'000**
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial assets				
Receivables over one year				
Other	**997**	**997**	**997**	**997**
NHS charitable funds: non-current financial assets	**7,540**	**7,540**	**-**	**-**
Total	**8,537**	**8,537**	**997**	**997**
Financial liabilities				
Non-current trade and other payables excluding non-financial liabilities	**788**	**788**	**788**	**788**
Provisions under contract	**4,776**	**4,776**	**4,776**	**4,776**
Total	**5,564**	**5,564**	**5,564**	**5,564**

29 Intra-Government and NHS balances

	Group / Trust	
	31 March 2023	
	Receivables: amounts falling due within one year	Payables: amounts falling due within one year
	£'000	£'000
Providers	**5,465**	**1,904**
NHS and Department of Health	**18,410**	**113**
Local Government	**198**	**-**
Central Government	**733**	**16,561**
Total	**24,806**	**18,578**

30 Losses and special payments

	Group / Trust			
	Twelve months to 31 March 2023		Six months to 31 March 2022	
	Number	**£'000**	Number	£'000
Losses				
Losses of cash due to:				
Other causes	**5**	**1**	1	1
Damage to buildings, property and equipment	**24**	**462**	24	312
Total losses	**29**	**463**	25	313
Special Payments				
Ex gratia payments in respect of:				
Loss of personal effects	**46**	**34**	39	20
Clinical negligence with advice	**2**	**12**	4	30
Personal injury with advice	**5**	**84**	-	-
Total special payments	**53**	**130**	43	50
Total	**82**	**593**	68	363

There were no individual cases where the net payment exceeded £25,000.

Note: The total costs in this note are compiled directly from the losses and compensations register which reports on an accrual basis, with the exception of provisions for future losses.

31 Judgements and estimations

Key sources of estimation uncertainty and judgements

In the application of the Foundation Trust's accounting policies, the Trust has made estimates and assumptions in a number of areas, as the actual value is not known with certainty at the Statement of Financial Position date. By definition, these estimations are subject to some degree of uncertainty; however in each case the Foundation Trust has taken all reasonable steps to assure itself that these items do not create a significant risk of material uncertainty. Key areas of estimation include:

- Expenditure 'accruals' are included within the total expenditure reported with these financial statements. These accruals represent estimated costs for specific items of committed expenditure for which actual invoices have yet to be received, together with the estimated value of capital works completed, but not formally valued as at 31 March 2023. Estimates are based on the Foundation Trust's current understanding of the actual committed expenditure.
- An estimate is made for depreciation and amortisation of £26.7 million. Each capital or donated asset is added to the asset register and given a unique identifier. The value and an estimated life is assigned (depending on the type of asset) and value divided by the asset life (on a straight-line basis) is used to calculate an annual depreciation charge.
- A net upwards revaluation of land and buildings of £10.1 million has been charged to the revaluation reserve, with a further £2.0 million included within operating expenses. This reflects the desktop valuation of Trust land and buildings carried out by the Trusts external valuers.
- "The interim valuation exercise was carried out in March 2023 with a valuation date of 31 March 2023. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'). This interim revaluation included physical onsite attendance.
- The COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, this valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

32 Senior manager remuneration

Directors' remuneration totalled £1,459,000 for the twelve months ended 31 March 2023. Full details are provided within the Remuneration Report.

33 Senior manager pension entitlements

There were benefits accruing to six of the Foundation Trust's Executive Directors under the NHS Pension Scheme in 2022/23. Full details are provided within the Remuneration Report.

34 Charitable Fund Reserve

The Charitable Fund Reserve comprises:

	31 March 2023	31 March 2022
	£'000	£'000
Restricted funds	**5,827**	8,499
Unrestricted funds	**6,880**	3,506
Total	**12,707**	12,005

University Hospitals Dorset NHS Foundation Trust

The Royal Bournemouth Hospital
Castle Lane East, Bournemouth, BH7 7DW

Poole Hospital
Longfleet Road, Poole, BH15 2JB

Christchurch Hospital
Fairmile Road, Christchurch, BH23 2JX

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