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NHS
Dorset County Hospital
NHS Foundation Trust

Dorset County Hospital NHS Foundation Trust Annual Report and Accounts

2022 – 2023

Dorset County Hospital NHS Foundation Trust

Annual Report and Accounts 2022 – 2023

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

Contents

Statement from the Chair and Chief Executive

As we are both new to the organisation, reviewing the annual report has provided a valuable insight into all aspects of the trust's performance during what has been another challenging year.

Having looked at the report, and spent time with staff throughout the organisation, what is abundantly clear is that everyone has worked incredibly hard during 2022-23 and achieved a great deal for patients despite the ongoing pressures.

We are continuing to build on our commitment to creating an environment where all our staff feel they belong and can thrive, and we were pleased to see that our NHS Staff Survey results were above the national average despite the significant challenges.

By the end of March, no patients were waiting over 104 weeks for care and only a small number of people were waiting over 78 weeks because of postponed activity due to periods of industrial action. Waiting times for cancer diagnostics and treatment have improved, and performance in urgent and emergency care has remained among the best in the region. The trust has also delivered an improving position against the financial plan through cost improvement programmes and securing some additional income.

The trust has put itself in a strong position to continue delivering improvements for patients going into 2023/24 but it will remain challenging to achieve the performance and financial requirements. A plan is being developed which delivers the key performance standards, while maintaining quality of care. However, there are some significant requirements in terms of the level of financial efficiencies and increases in productivity that need to be delivered. Underpinning this is our level of ambition to get things right for patients and the communities we serve.

We have both been recently appointed as the first joint chair and chief executive for both Dorset County Hospital and Dorset HealthCare. We are looking forward to working closely with colleagues in both organisations, and our wider partners, to realise the potential of our new partnership.

We have lots of opportunities to develop and improve our services in positive ways. Some of this will be about realising the potential from the new partnership, but it will also be about how we can play a unique role in improving population health for communities across the whole of Dorset, working with a wide range of partners in different and new ways.

There are many examples of doing things differently already. For example, colleagues were highly commended in the HSJ Partnership Awards for 'Most Effective Contribution to Clinical Redesign' for the Dorset Health Villages, which include our South Walks House Outpatient Assessment Centre. This is a great example of changing the way we do things and working with partners to improve patient experience and productivity.

Helping more people get to the right care setting more quickly will continue to be our priority going into 2023/24 and therefore it is excellent to see progress on the new, larger discharge lounge facility to improve patient flow. The funding for this modular building was only made available in January, for this financial year, so we had to move quickly. Our teams have done an amazing job making it happen and we are looking forward to opening this new facility soon.

There are other exciting site developments to come, including our New Hospital Programme funded Emergency Department and Critical Care Unit, and the refurbishment of the South Walks House Outpatient Assessment Centre.

To be forging ahead with such major developments when our services, and the NHS as a whole is facing so much pressure is an amazing achievement. It wouldn't be possible without the determination and expertise of all our teams, and we'd like to take this opportunity to thank our clinical, support and volunteer colleagues across the trust for all that they do every day for the benefit of our patients and the communities we serve.

Signed

David Clayton-Smith
Trust Chair

Matthew Bryant
Chief Executive

Performance Report

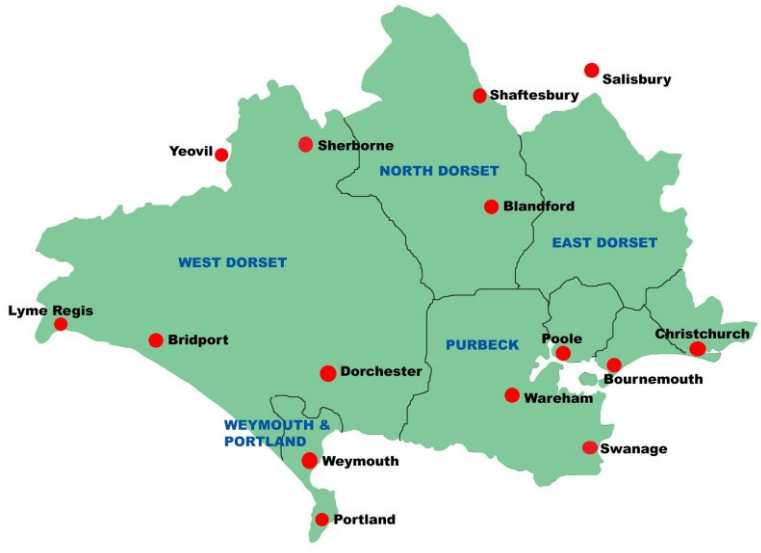
Overview of the Trust

Purpose of the Overview

The purpose of the overview is to provide the reader with sufficient information to gain an understanding of Dorset County Hospital NHS Foundation Trust, our purpose, the key risks to the achievement of our objectives and how we have performed during the financial year 2022/23. This Annual Report should be read in conjunction with the 2022/23 Quality Account.

About the Trust

Dorset County Hospital NHS Foundation Trust's mission is to provide outstanding care for people in ways which matter to them. Our vision is that Dorset County Hospital, working with our health and social care partners, will be at the heart of improving the wellbeing of our communities. Dorset County Hospital NHS Foundation Trust ("the trust") achieved Foundation Trust status on 1 June 2007 under the Health and Social Care (Community Health and Standards Act 2003). The trust took over the responsibilities, staff and facilities of its predecessor organisation, West Dorset General Hospital NHS Trust. The trust is the main provider of acute hospital care to the residents of West Dorset, North Dorset, Weymouth and Portland and serves a population of approximately 250,000 people. It also provides specialist services to the whole of Dorset and beyond including renal services in Bournemouth and Poole, and South Somerset. The trust serves an area with a higher than average elderly population (over 65 years representing nearly 29% of the total population growing at 2% per annum) and lower than average proportion of school aged children. Dorset continues to experience an increasing total population, with 0.5% per annum forecast in the coming years.



The main hospital opened on its current site in 1987 and is situated close to the centre of the county town of Dorchester. The geographical spread of the community the trust serves requires it to deliver community based as well as hospital based services. This is achieved

through providing services in GP practices, in patient homes through Acute Hospital at Home Discharge to Assess, and at community hospitals in West Dorset, including Weymouth Community Hospital, Bridport Community Hospital, the Yeatman Community Hospital in Sherborne and Blandford Community Hospital.

The trust also works closely with other health providers, primary care and social services to ensure integrated services are provided. As an NHS Foundation Trust, Dorset County Hospital is accountable to Parliament, rather than the Department of Health, and is regulated by NHS England. We are part of the NHS and must meet national standards and targets. Our governors and members ensure that we are accountable and listen to the needs and views of our patients.

The trust provides the following services for patients:

- Full Emergency Department services for major and minor accidents and trauma
- Emergency assessment and treatment services, including critical care (the hospital has trauma unit status)
- Acute and elective (planned) surgery and medical treatments, such as day surgery, endoscopy, outpatient services, services for older people, acute stroke care, cancer services and pharmacy services (not an inclusive list).
- Comprehensive maternity services including a midwife-led birthing service, community midwifery support, antenatal care, postnatal care and home births. We have a Special Care Baby Unit.
- Children's services including emergency assessment, inpatient and outpatient services.
- Diagnostic services such as fully accredited pathology, liquid based cytology, CT scanning, MRI scanning, ultrasound, cardiac angiography, and interventional radiology.
- Renal services to all of Dorset and parts of Somerset.
- A wide range of therapy services, including physiotherapy, occupational therapy and dietetics.
- An integrated service with social services to provide a virtual ward enabling patients to be treated in their own homes.

Our business model is based on managing expenditure within the context of agreed contracts with commissioners. The trust has to manage its costs within the agreed funding envelope to allow us to invest appropriately (staff and infrastructure) in order to provide safe, effective patient care.

The trust is organised internally as follows. There are two Divisions in the trust, the Urgent and Integrated Care Division and the Family and Surgical Services Division. Each Division has responsibility for general business: workforce, education, access and flow, space utilisation, and capital and strategic planning. In turn they also have responsibility for governance: safety, clinical effectiveness, safeguarding and patient experience. Each Division is then subdivided into a number of care groups, which also hold their own speciality/department meetings.

The Divisions report into the trust board committees on a monthly basis. The committees and their remits are as follows:

- Finance and Performance Committee provides finance and access assurance.
- Quality Committee provides quality assurance.
- Risk and Audit Committee has a corporate governance responsibility to provide Board Assurance Framework, corporate risks, internal and external audit assurance.
- People and Culture Committee oversees the trust's People Strategy, monitors standard workforce metrics, and recruitment strategies and approaches.

The Board of Directors meets on a bi-monthly basis and is supported by the assurance and performance sub-committees that it has established. The Board and sub committees have formal minutes, and the Senior Management Team provides strategic and operational support to the Board of Directors and its sub-committees.

Dorset was one of the first regions to signal the intention to form an Integrated Care System (ICS) in 2018. 'Our Dorset' was formed in 2021 as a new partnership of two local councils, NHS services and the voluntary sector, and obtained final legal standing in July 2022 when the Integrated Care Board (ICB) began operations. The trust is committed to supporting the ICB and its recently published Five Year Plan and has aligned its strategy to the Integrated Care Provider (ICP) Strategy.

Highlights of the Year

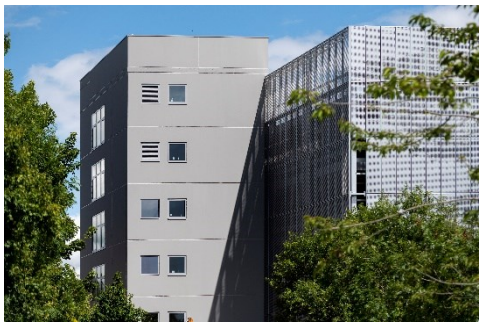
We opened a new Outpatients Therapies Centre in Charlton Down. The centre hosts a variety of physiotherapy services, including musculoskeletal, respiratory and pelvic health, as well as speech and language therapy and has helped reduce waiting times.

Our Cygnet Homebirth Team celebrated seven years of success. The team launched in June 2015 and has gone from strength to strength, seeing homebirths in the county soar from 2.3% of the total births to a consistent 8-10% and becoming one of the highest homebirth rates in the country.

Volunteers were treated to a summer tea party as a thank you for their hard work.
More than 50 volunteers gathered for a fun afternoon. The Chairman and Chief Nursing Officer also presented service recognition certificates to those who have completed between three- and 25-years of service.

Opened a new Chemotherapy Outreach Service in Bridport. The service, based at Bridport Community Hospital, will allow patients in the town and surrounding area to receive chemotherapy and other cancer treatments closer to home.

Health organisations in Dorset secured £13m to transform two floors of South Walks House in Dorchester into clinical space.
The Outpatient Assessment Centre also moved to Vespasian House while the work at South Walks House is carried out.



Construction of our multi-storey car park was completed.

Our staff and volunteers received well deserved recognition for their hard work and dedication at the 2022 GEM and Long Service Awards.

Our Anaesthetic Department was recognised again for providing the highest standards of patient care.
The department received the prestigious Anaesthesia Clinical Services Accreditation (ACSA) from the Royal College of Anaesthetists (RCoA) for a second time.
To receive accreditation, departments are expected to demonstrate a high standard in areas such as patient experience, patient safety and clinical leadership.

Our Orthotics Department won the Safe Restoration of Elective Care Services Award at the HSJ Patient Safety Awards. At the start of the pandemic, many elective knee surgeries had to be cancelled and waiting times for patients were over a year. The team set up a clinic with around 50 patients to offer them the choice to try a knee brace to see if it helped improve their quality of life while they were waiting.

We marked the completion of the refurbishment of our Emergency Department. The Trust received one-off funding from NHS England of £15million, as part of a drive to upgrade several Emergency Departments across the country. The refurbishment provides much-needed improved and additional space in the short-term and will pave the way for a new Emergency Department and Critical Care Unit.

We launched a Dorset-wide Lung Check Service to identify lung conditions much earlier and improve outcomes for patients.

Our Young Person's Diabetes Service was selected to join an NHS England pilot to work with colleagues across Dorset to improve the care of young people with diabetes. Funding allows the team to create new roles such as youth workers to reach out to patients who don't access specialist care, looking to support these young people in all aspects of their life to make managing their diabetes easier.

Plans to build a new helipad took a major step forward thanks to a £2million pledge from the HELP Appeal. The new state-of-the-art rooftop helipad as part of the new Emergency Department and Critical Care Unit will allow a patient to be transferred quickly and comfortably via a lift directly into the hospital, maintaining their privacy and dignity.

Outline plans to develop our site were approved by Dorset Council. The Trust's Your Future Hospital programme sets out plans to expand facilities on the site in Dorchester and help meet increasing demand, including a brand-new Emergency Department and Critical Care Unit.

Our Maternity Service continues to provide high standards of care, according to a Care Quality Commission survey. The teams received the best results in the country – the only service to be rated as 'much better than expected' across the experience of labour and birth and care after the birth.

Radiology became one of the first departments in the country to achieve the new Quality Standard for Imaging set by the United Kingdom Accreditation Service.

We secured £2millon to help free up hospital beds by creating a new, larger discharge lounge facility in front of North Wing. The modular building was delivered in March and is due to open later this year.

Strategy and Objectives

The trust published its strategy in December 2021 after six months of staff engagement, and full leadership review. Since then, it has been the subject of six-monthly updates to the Board, and at the time of writing, a strategy refresh is planned in summer 2023. The trust strategy covers the next three years to 2025, and in financial year 2022/23 the leadership team decided to focus delivery on three strategic priorities:

- Elective recovery post pandemic
- Improving patient flow through the hospital and
- Driving financial sustainability.

Elective recovery has become the primary challenge of the NHS, as waiting lists remain at historic highs, and acute workforce and operational pressures persist. Alongside this, bed occupancy has remained above optimum levels and escalation areas have remained open for much more of the time as No Reason to Reside (NRTR) patients wait in hospital for care packages to enable their discharge. This has caused huge pressure on patient flow through the hospital, as beds may not be available rapidly for those requiring admission, or for elective inpatients (causing late treatment cancellations), and delayed discharge for patients. In this context, the trust has also been set tight financial savings targets by regulators, requiring improvements in the productivity of its workforce and the efficiency of its operations. The trust has a portfolio of six Change Programmes addressing these strategic priorities, to which it has assigned resource, and it has put in place the Strategic Leadership Group (SLG) to monitor delivery of progress and benefits.

Against this backdrop, the trust has been working closely with its partners across the Dorset Integrated Care System (ICS), where the last 12 months have seen the Integrated Care Board (ICB) publish its Five Year Plan, which aims to grip key issues at a system level. DCH has also moved to much stronger and joined up partnership in tackling these challenges, through its formal collaboration announced with Dorset Healthcare University NHS Foundation Trust. This collaboration has seen the appointment of a joint Chief Executive and joint Chairman across the two Trusts, and a commitment to co-develop a sustainable workforce and new care models.

The Dorset ICS Strategy was published in December 2022, and is focused around, prevention and early help, thriving communities and working better together. The trust is taking steps to align its own strategy closely to these objectives, and to appoint resource to directly to these initiatives. Stemming from the ICS strategy, the trust understands it has an important role to play with its system partners in tackling inequalities in outcomes, experience and access, enhancing productivity and value for money, and helping the NHS to support broader social and economic development.

Lastly, the trust strategy has been developed to both align to the national NHS Long Term Plan, as well as support the trust long term as the designated planned care and emergency hospital with Accident and Emergency services for the west of the county.

The trust strategy outlines the trust's Mission, Vision and Values, and has also been developed around three strategic goals: People, Place and Partnership. These can be seen outlined in the visual below.

People: This goal signals the trust's intention to truly value its staff. Our people are our most important asset, and we want them to feel valued, welcomed, respected, that they belong, and they matter. We recognise the link between high levels of staff satisfaction and improving patient experience and outcomes.

Partnership: Our vision is to work with our health and social care partners, being at the heart of improving the wellbeing of our communities, demonstrating our continued commitment to collaboration and partnership which will be key to the development of the Dorset ICS.

Place: We recognise that for the NHS to deliver the ambitions identified for Integrated Care Systems, it will need to reimagine the way in which it operates and develops services. We aim to move away from services wrapped around institutions to those that are human centred, co-designed with our communities with citizenship at their heart.

Aligned to our Social Value Pledge, we will work hard to deliver on our responsibilities to be a model employer, contributing to the local economy through our income and purchasing power and improving our environmental sustainability plan to meet the NHS net zero targets: becoming the world's first net zero national health service.

The Integrated Care Board (ICB) Forward Plan was formally published in February 2023, although the trust has been following its evolution since ICB inception in July 2022 through Executive representation on ICB's governance committees.

The business planning process for financial year 2023/24 ran between October 2022 and March 2023 and added evaluation of how new business cases, investments and plans fit with the Integrated Care Partnership (ICP) Strategy and ICB Plan. This process was given weight in the trust's approval process. The trust's activity plan and budget were also agreed with system partners, according to the ICB Plan. Delivery of the trust's budget and activity plan is closely monitored against the plan and is reported via the Finance and Performance Committee and the trust's internal and wider system performance review processes.

In the next year's Business Planning Process (2024/25), planned to start in October 2023, this connection to the ICB Plan will be further refined.

Key Issues and Risks

Since January 2022 the trust has been capturing the risks to implementing the trust's strategy and releasing the benefits therein in the Board Assurance Framework (BAF). This outlines and scores the strategic risks, identifies mitigations, and tracks progress towards lowering the risk. The BAF is appraised bimonthly at the Board committees as part of the trust's Governance Framework. Critical to the success of the BAF has been the high levels of engagement from the risk owners and leadership team, which has seen effective management and mitigation of these risks across the year.

The trust faced considerable risks associated with the delivery of the strategic objectives contained within the trust's strategy. These risks are captured in the Board Assurance Framework (BAF). The BAF is reviewed each quarter as part of Board and board committee regular programme of work and performance monitoring process, where issues and opportunities are identified and then cascaded downwards. The BAF is supported and informed by the Corporate Risk Register that includes operational risks and by the trust's Risk Management Framework. Risk within the Corporate Risk Register are aligned to the strategic risks within the BAF and to the trust's strategic objectives.

Capacity for Change

The growing financial and operational challenges facing the trust and wider Dorset system require ensuring short term sustainability, whilst also delivering longer term organisation and wider system change. The trust has to balance the needs of maintaining safe high-quality care and day to day operational performance, with responding flexibly and quickly to new priorities, whilst ring fencing resource to focus on delivering the long-term strategy.

Dorset County Hospital was named in 2020/21 as one of the 40 'new' hospitals in the government's New Hospital Programme with Dorset allocated £350m. Dorset County Hospital is expected to receive £80m of this to develop a new Emergency Department, Intensive Care Unit and integrated services, which will provide the opportunity to fundamentally transform the way services are delivered and meet demand for a generation to come. This long-term project will increase the size of the existing departments and bring a range of community services onto site and make these critical services sustainable. Planning has continued throughout 2022/23 and preparatory groundwork is expected to commence from June 2023 and construction by March 2024.

In addition, the trust secured £15m in funding, which it has used to expand the capacity of the existing Emergency Department, to meet demand for the next five years. The 'ED15 project' was completed in 2022/23 bringing additional treatment bays and a reconfigured department to support better patient flow. In late 2022, the trust was also the recipient of £2m in public funding, which it has used to build a new and expanded Discharge Lounge, to further facilitate patients flowing through the trust.

In 2021/22 the trust secured £13m to move much of its outpatient services into South Walks House in the centre of Dorchester, transforming the way preassessment is undertaken. The last year has seen this further expanded, with a 20-year lease being signed providing an additional three floors of the building, where non clinical services have been moved, in order to maximize clinical space on the main hospital site.

Financial year 2022/23 has also seen the trust directly incorporate its strategy into its Business Planning process for the first time. The process of setting budgets and determining new investments for the forthcoming year has been anchored from the outset in delivery against our Strategic Priorities and delivering target benefits. Alongside this, the Board and committees have moved to using a new Executive Dashboard for monitoring performance across the organisation. This Balanced Scorecard uses Statistical Process Control (SPC) to better understand our performance and demonstrate whether actions are making improvements. The dashboard provides a single place for leaders to closely monitor performance.

Going Concern Statement

International Accounting Standard 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.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the going concern period, being 12 months from the date of signing this Annual Report.

In preparing the financial statements, the Board of Directors have considered the trust's overall financial position against the requirements of IAS1.

The trust is reporting a deficit of £4.9 million for the year ended 31 March 2023 with a closing cash position of £18.9 million. The trust anticipates an operating surplus of £0.3 million in 2023/24 and a closing cash position of £18.1 million. It is also anticipated that will remain unchanged during the 1st quarter of 2024/25.

The directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Performance Overview

The performance report is based on the requirements of a Strategic Report as set out in with sections 414A, 414C and 414D6 of the Companies Act 2006, except for sections 414A(5) and (6) and 414D(2) which are not relevant.

Summary of operational performance

The trust's Emergency Department has seen a stable performance against the four-hour standard, with sustained improvements from October 2022. This has been achieved against a backdrop of increasing demand at the front door but has been managed safely with the recent completion of the Emergency Departments expansion. There was a continued mismatch between capacity and demand for ongoing care packages that support the safe discharge of patients. This results in patients staying in acute hospital beds when they are medically fit for discharge, causing a backlog in the Emergency Department for patients that require beds on the wards. Patient safety remains the top priority and has been maintained.

The waiting times for planned surgery has reduced in year, with the trust eradicating waits over 104 weeks for treatment and having only 21 patients waiting over 78 weeks at the end of March 2023. The total number of patients waiting over 52 weeks has reduced for the second consecutive year to 1,109 patients. Despite this progress, further work has still to be done, with the national target for 2023/24 to eradicate any patients waiting over 65 weeks for treatment.

High bed occupancy rates over prolonged periods of time, discharge challenges and the impact from industrial action have restricted the trust's ability to deliver planned activity, resulting in a high level of theatre and outpatient cancellations. This has meant the total waiting list size has grown, from 17,535 to 19,397 in the reporting year. With productivity gains planned throughout the coming year and improving hospital flow, it is expected this level of growth will slow.

The trust has performed well against cancer wating time standards compared to previous years and while not all national performance standards have been achieved, the trust has benchmarked well against other providers of a similar size and demographic. Improvements are still required to achieve all the national targets, but performance against the 28 days to diagnosis standard has improved throughout the year and achieved better than the required target by the end of quarter four. The waiting list size has increased compared to the previous year, as a result of referral demand increasing by over 20% compared to 2019/20. To keep pace with this demand, the trust has increased the number of cancer treatments it has completed by 5.68%, meeting the agreed activity uplift set by the Wessex Cancer Alliance. Whilst performance against the Cancer 62-day treatment standard has fluctuated month on month, performance figures have been driven to some extent by the relatively small Cancer Department. Systemwide initiatives, such as the implementation of the FIT pathway in Colorectal services, is an example of how partners across the ICS have come together to design new cancer pathways to meet the increasing demands on cancer services.

Performance against the six-week diagnostic standard has remained consistently challenged throughout the year. Diagnostic services have seen an increase in demand via the emergency and elective pathways because of increased demand at the front door, increases in cancer two week wait referrals and an increase in elective activity as part of the elective recovery programme post COVID. Staffing issues, due to a national shortage of Radiographers and in Cardiology staff have caused performance challenges and activity fluctuations month by month. The trust is part of the Dorset ICS's system recovery programme, which includes the new Community Diagnostic Centres (CDCs) which will permanently increase diagnostic capacity and activity across Dorset.

The trust recognises that maintaining and improving performance standards in 2023/24 will present ongoing challenges, especially with more stringent targets to hit as the NHS moves out of COVID recovery. 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 has already provided opportunities that have been realised this year and further collaboration with system partners to utilise the available capacity and resources across the system rather than at an individual organisational level. This approach will benefit local communities and patients.

Financial Performance

In 2022/23, the trust's financial plan recognised the increased demand for NHS services, bringing with it further financial pressures due the need to address the recovery of elective services because of the COVID-19 pandemic, which have been experienced across the country. The Dorset Integrated Care System and the trust submitted a planned break-even position against the adjusted control total position after technical adjustments, in line with accounting guidance, over the financial year as a whole.

The trust delivered a deficit of £4.9 million before technical accounting adjustments, which equates to approximately 1.72% of the trust's turnover. The position before and after technical adjustments is shown in Table 1 below. The adjusted break-even position removes donated capital assets of £0.1 million and impairment movements in year of £5.0 million from the operating deficit position, in line with accounting guidance.

Table 1 : Financial Performance against Plan	2022/23 Plan £ millions	2022/23 Actual £ millions	Variance £ millions
Total income	250.0	284.5	34.5
Total expenses	(249.8)	(289.4)	(39.6)
Operating (deficit)/surplus	0.2	(4.9)	(5.1)
Remove technical adjustments:			
Capital donations	(0.6)	(0.5)	0.1
Donated depreciation	0.4	0.4	0.0
Impairments	0.0	5.0	5.0
Adjusted (deficit)/surplus	0.0	0.0	0.0

Performance Against Plan

Income exceeded the financial plan, leading to a favourable variance of £34.5 million. Of this variance £6.7 million related to additional employer pension contributions paid by NHS England, £5.5 million related to the draft Agenda for Change pay offer, £0.5 million for consumables (Personal Protective Equipment) from the Department of Health and Social Care, £13.9 million related to NHS commissioner funding to support additional spending and projects, £3.0 million hosted project funding, £2.0 million project income and £2.9 million of additional high-cost drugs.

Expenditure was £39.6 million above plan, of which £6.7 million related to the additional employer pension contributions paid by NHS England, £5.7 million related to the Agenda for Change draft pay offer, £0.5 million for consumables (largely Personal Protective Equipment) from the Department of Health and Social Care, £3.0 million expenditure on hosted projects, £2.9 million related to additional high-costs drugs and £2.0 million related to additional project income received in year, £13.8 million delivering activity pressures and £5.0 million for impairments made in line with accounting guidance.

The capital donated assets were behind plan by £0.1 million.

Revaluation of Land and Buildings

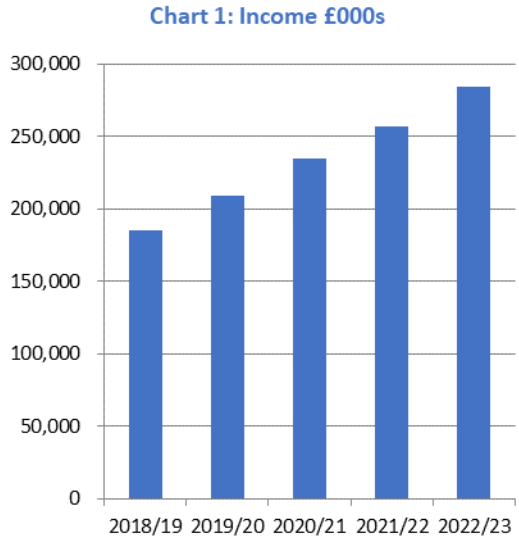
As part of the preparation of the annual accounts, the trust is required to assess the value of its land and buildings. This exercise is carried out at the end of the financial year. This year, these were valued independently by Avison Young, in line with accounting policies.

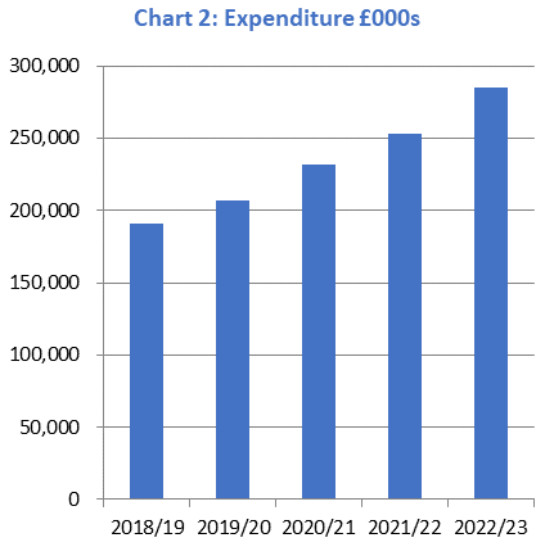
Overall, there was a decrease in valuation of land and buildings of £1.3 million. This included a charge to the Revaluation Reserve of £3.7 million and a charge to other operating expenses in the Consolidated Statement of Comprehensive Income for impairments of £5.2 million and reversals of impairments of £0.2 million.

Trends in Income and Expenditure

The charts below show the trends in income and expenditure over the five-year period from 2018/19 to 2022/23.

Trends in Income and Expenditure (Five Years)





Trends

Chart 1 shows the growth in income over the five-year period from April 2018 to March 2023. This growth in income is at an average rate of 13% per year over the five-year period. From 2019/20, this is primarily the result of the non-recurrent COVID-19 funding during the pandemic and the ongoing impact the pandemic had on delivering elective recovery of services.

Chart 2 shows the growth in expenditure over the five-year period. Expenditure has increased at an average rate of 12% per year. This is primarily the result of COVID-19 cost impact which occurred both post pandemic due to elective recovery of services and inflationary costs.

Cash Flow

The trust ended the year with £18.9 million cash. This was a decrease of £7.0 million during the year. The decrease in the cash position is because of the timing of capital payments and a decrease in the working capital position.

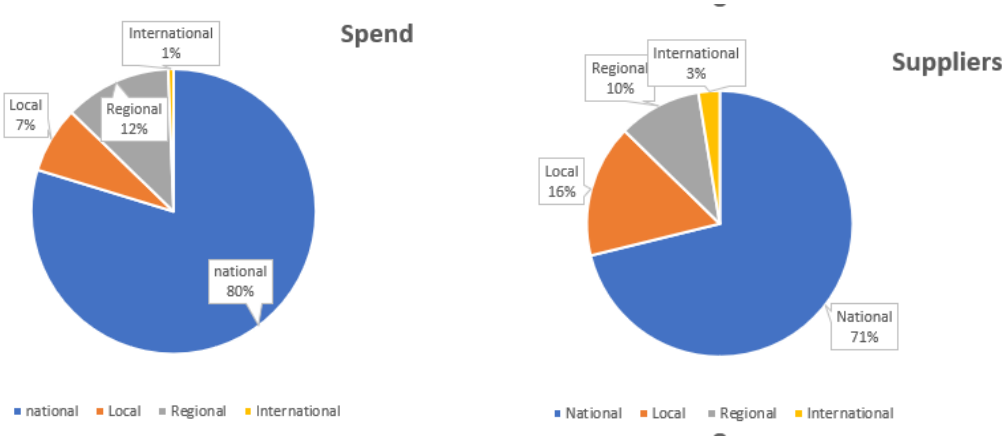
Charitable Funding
The trust is fortunate to be supported by Dorset County Hospital Charity and a number of other local charities. All Dorset County Hospital Charity funds benefit the Trust. In 2022/23, the trust received charitable grants for capital projects from the Charity of £0.4 million.

Capital Expenditure
Capital expenditure during 2022/23 was focused on the multi-storey car park, staff accommodation units, backlog maintenance, medical equipment, investment in digital projects, design costs for the New Hospital Programme and supporting elective recovery following the pandemic. The trust's capital plan is set through a risk-based approach to ensure continuity of patient care. The trust set its capital plan at £40.4 million and incurred expenditure of £39.7 million. The underspend was due to a technical adjustment on the accounting of the multi-storey car park as a right of use asset offset by additional Public Dividend Capital received relating to elective recovery support and digital transformation.

Social Value
The Finance and Procurement teams continue to support the trust in the delivery of its objectives linked to its Social Value pledge. These objectives have been addressed as follows:

Short-term Objective	Completed actions
Establish levels of current local spend and set targets going forward	Monthly spend continues to be analysed to track local, regional and national spend. A project to identify which of the suppliers are small and medium sized enterprises (SMEs) is commencing. The spend data for the financial year is shown in the charts below
Develop our website to allow local suppliers to have sight of upcoming projects and be able to contact through the internet	Work is well underway to update the Procurement section on the Internet so that a high-level pipeline of opportunities is visible to suppliers, and allowing them to "Click here" to contact the Procurement team
Ensure the social value model is embedded in our evaluation of tenders	The trust is now including a minimum of 10% against social value in its evaluation criteria, using the national Themes, Outcomes and Measures (TOMS) framework
Review spend in catering and estates to identify opportunities for using more local suppliers	The spend data included in the charts below is also tracked monthly by supplier and category.
Request evidence of social value from current suppliers	Following on from contacting suppliers to confirm if they have policies for Equality and Diversity, Sustainability and/or Social Value in place and if not whether they intend to introduce them, Procurement are now seeking assurance that suppliers have a Net Zero Carbon policy and that they are paying employees at least the Real Living Wage

The charts below show the breakdown during the financial year between local, regional, national and international for both the trust total spend and associated suppliers.



The Finance and Procurement teams will continue to focus on delivering a number of long-term objectives to increase local spend with local suppliers, these will be:

- Continuing to cleanse and analyse data by category such as Estates, Catering or Digital to determine what scope there is to move more spend to local suppliers. Each member of the procurement team focusses on different categories of spend in order to better understand each supplier market and area of spend.
- Further development of the 'Procurement Pages' on the trust internet site to increase visibility and access for local suppliers to contact the trust based on contract needs.

The trust will stay in line with national procurement guidance to ensure a balance is maintained between awarding compliant contracts against national frameworks and buying locally; this will be managed across category headings. Products and service contracts currently in place will not be in scope until they approach expiration.

Performance Analysis

Monitoring Trust Performance
Dorset County Hospital NHS Foundation Trust is committed to the principles of good governance, and this includes a robust approach to performance management and performance improvement. The Board aspires to providing the best services within the resources available, ensuring patient safety and experience are prioritised.

The Board monitors trust performance against a range of key national and local objectives and targets as agreed with Dorset system partners. The Board Assurance Framework (BAF) identifies how risks are being mitigated, and how the risk score has changed relative to its target score over time. New risks are added as they emerge, by risk owners monitoring their

areas, and through reviewing the Corporate Risk Register for any themes relating to strategic delivery.

The trust has refined its strategic priorities to reflect the areas of highest risk and opportunity and is focusing more of its change efforts and resource on these.

The BAF links to key performance indicators and ensures that the Board's focus is on the key risks to delivery of the organisation's principal objectives. This is in turn linked to the Corporate Risk Register to ensure that all necessary mitigations are in place to reduce risk wherever possible. The Board and subcommittees of the Board regularly receive and scrutinise reports outlining details of current risks and scores, previous risk scores, target risk scores and mitigating actions.

This process seeks to encompass the achievement of the broader strategic objectives agreed by the foundation trust Board and other enabling strategies to ensure a clear line between national requirements, contractual obligations and strategic business priorities of the trust.

The Trust recognises that health inequalities have widened following the COVID-19 pandemic, with individuals from ethnic minority populations, individuals with learning disabilities, those experiencing homelessness, drug and alcohol dependence, vulnerable migrants, Gypsy, Roma and Traveller communities, people in contact with the justice system, victims of modern slavery and other socially excluded groups, as well as those from our most economically deprived populations, suffering greater health disparity and poorer outcomes. In, NHS England published Core20PLUS5 (adults) - an approach to reducing health inequalities, subsequently developing a similar approach for children and young people. In response, the Trust has established a Health Inequalities Group, chaired by the Chief Nursing Officer, to develop a programme of work to consider the operational delivery of acute Trust services to mitigate disparities in access, drive improvements in health outcomes as determined by local population health priorities, and contribute to the public health prevention agenda.

Waiting list performance by ethnicity and learning disability has been reported via the trust's Finance and Performance Committee during the financial year. Together with other partners in the ICS, the Trust has successfully implemented a revised approach to managing the waiting list for these patients, who are prioritised across all provider information systems, to ensure that as many of these patients as possible that are known to the NHS are identified. Further work is underway to determine wider inclusion group data via the Dorset Intelligence and Insight Service (DiiS) to develop targeted focus on those in the 20% most deprived groups, as identified by the national Index of Multiple Deprivation (IMD) and those in the inclusion health groups who may access services, to better determine relevant approaches and interventions. In addition, some case studies are underway to consider the core20 PLUS5 five clinical areas of focus – Maternity, Severe Mental Illness, Chronic Respiratory disease, Early Cancer Diagnosis and Hypertension case finding and optimal lipid management, to test new approaches in the delivery of services, working with primary care and Dorset University Healthcare NHS Foundation Trust.

A programme of work will continue throughout 2023/24 to consider health literacy, accessible information standards, learning disability and autism standards, social prescribing and Making Every Contact Count, as part of the trusts' approach to addressing health inequalities and its contribution to improving health outcomes and to addressing the wider social determinants affecting the health of the population to which it serves.

Staffing levels across the trust continued to be challenged, particularly in specialist areas such as Radiology and Cardiology. This is a risk seen throughout the country, which has driven high use of agency and restricted the level of elective activity. The staffing challenges are a key strategic risk for the trust and are recorded within the strategic risk register (see Annual Governance Statement) and will continue into 2023/24. To mitigate this risk the trust has further invested in international recruitment, productivity improvements, pathway and clinical support role redesign initiatives. The trust has developed a recruitment and retention strategy and has worked with system partners to ensure a consistent approach to growing and developing the internal Bank staff offer. The trust also has a broad range of practical and emotional staff wellbeing measures in place to support staff.

Moving into 2023/24, the funding arrangements for the trust will change, with a return to a payment by results scheme (PbR) for the elective element of the trust's income. This presents an emerging risk and will require tight financial control and a focus on productivity if the trust is to operate within the required budget. It also presents an opportunity, with over delivery of activity generating additional income. However, this will only be possible where the system as a whole achieves the collective activity targets.

The trust's performance trajectories were agreed as part of the 2023/24 contracting round and included the following four key performance indicators:

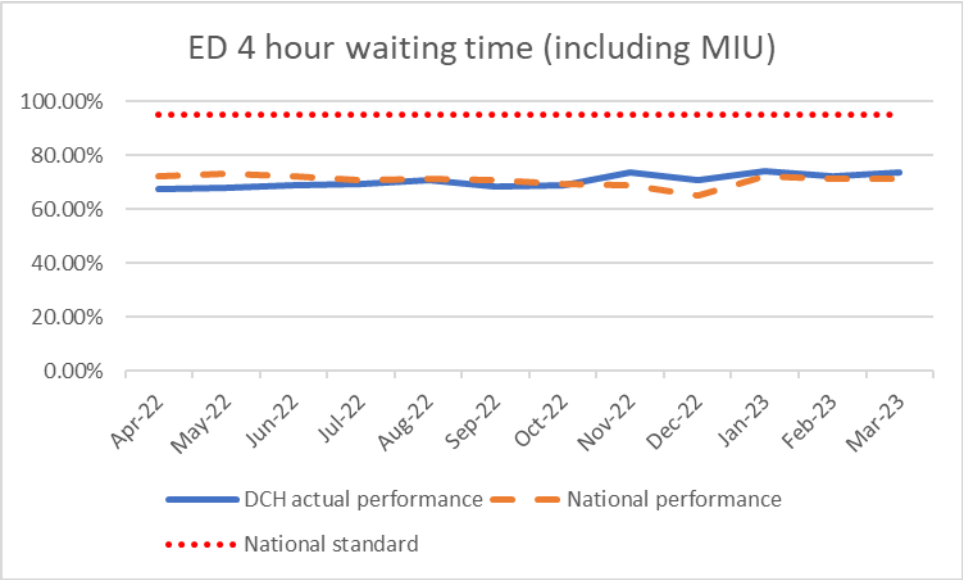
- Emergency Department waiting times,
- Referral to Treatment waiting times,
- Diagnostic waiting times and
- Cancer waiting times.

Operational Performance: The Emergency Department

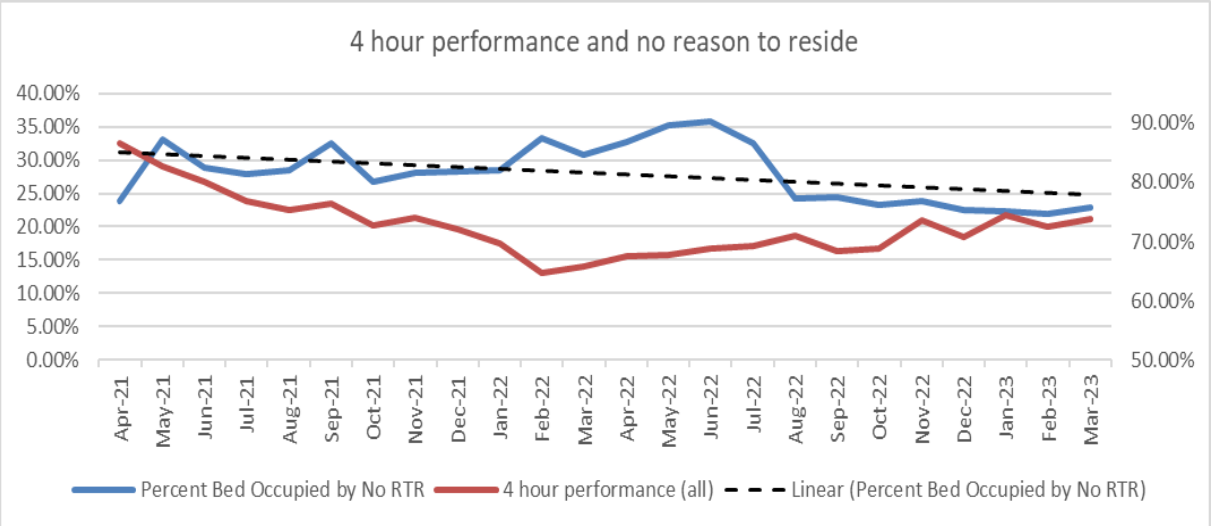
The Emergency Department experienced an increase in demand during 2022/23, with 2.48% more attendances than the previous year and a 4% increase when compared to the pre-covid comparable year (2019/20). The department experienced a 15.28% decrease in the number of patients admitted to the hospital via the Emergency Department which equated to 2,716 fewer patients admitted to wards. This was not because fewer patients required admission, but because patient were able to wait in the department while diagnostic tests were completed, which otherwise would have taken place on the ward. This is a product of flow restrictions in the hospital due high levels of delayed discharges throughout the trust.

The combined Type 1 and Type 3 performance (Emergency Department and Urgent Care Centre) did not achieve the national standard for the reporting year 2022/23. Performance until November 2022 tracked above, or at the same level as, national performance. During November to January performance was slightly below the national level but recovered for the last quarter. This performance was achieved against the backdrop of demand increases and

the operational challenges that restrictions on hospital flow due to the continued high levels of patients remaining in hospital with no reason to reside.

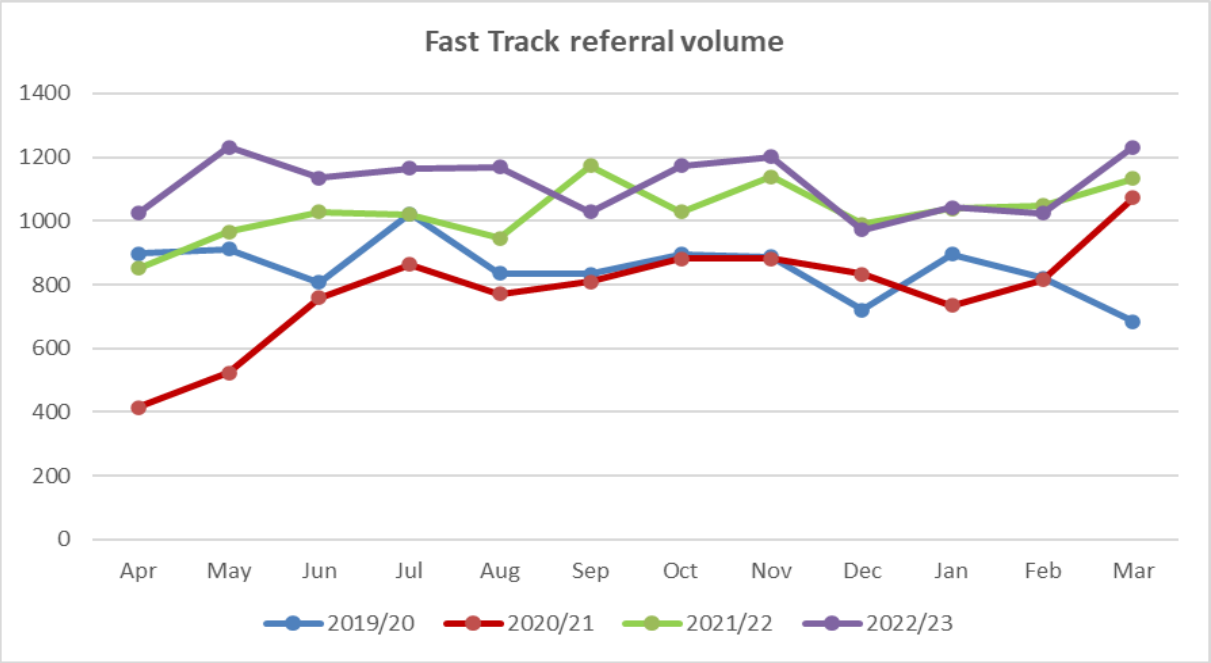


In August 2022, the trust experienced a significant decrease in the number of inpatients with 'no reason to reside'. These patients are medically fit for discharge but are waiting on a care package to enable them to go home or return to an out of hospital care setting. The decrease in the number of these patients followed the implementation of a multi-stranded plan, working with system partners and the council. An associated improvement in the 4-hour standard followed but there remains a high number of these patients, a trend reflected nationally, due to shortages of care staff and recruitment difficulties. There is a direct correlation between the increased number of inpatients occupying hospital beds with no reason to reside and the four-hour Emergency Department waiting time performance.



Operational Performance: Cancer Waiting Times

The trust has experienced a year of significant increases in the demand for cancer services. The number of referrals to the two-week referral pathway increased by 21.96% compared to 2019/20, the pre-covid comparable year, and by 8.54% compared to the year 2021/22.

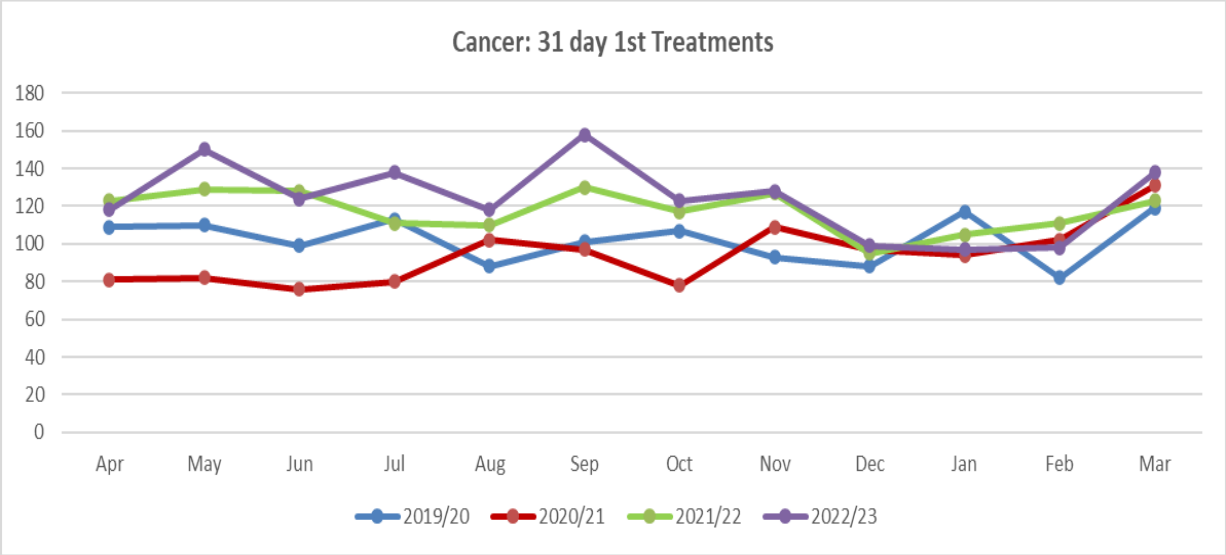


Performance against the cancer waiting time standards was impacted because of the increase in demand. This has resulted in patients waiting longer for assessment and treatment appointments.

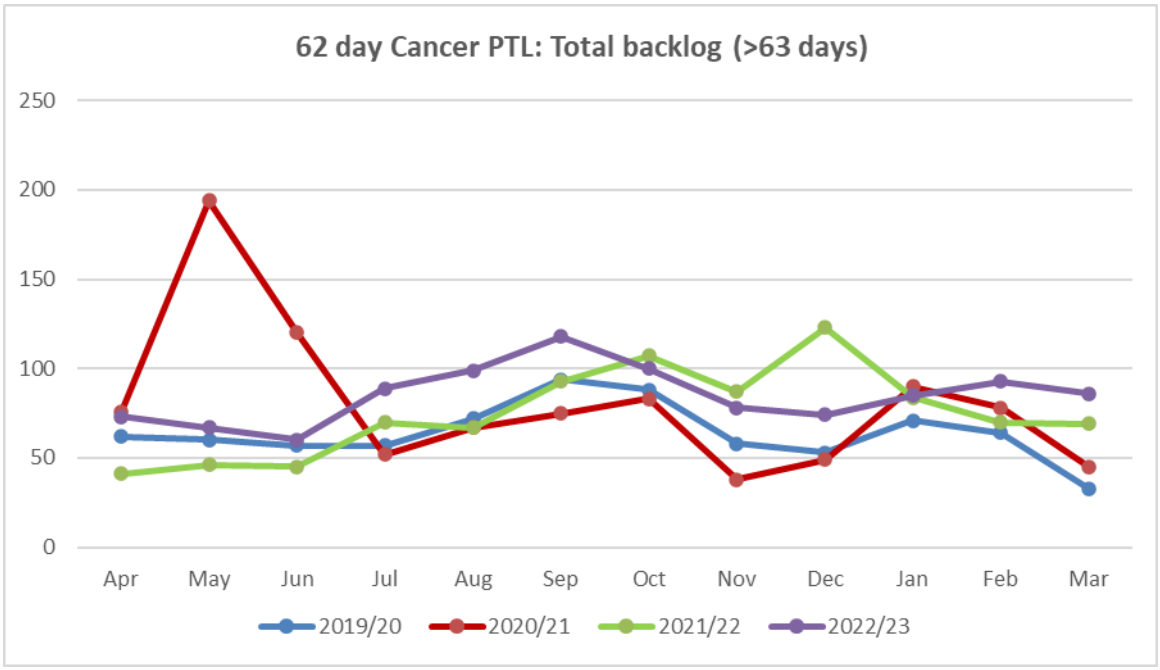
A new target was introduced last year that set out the requirement for patients to be diagnosed and informed of their cancer, or non-cancer, diagnosis within 28 days of referral. Performance against this standard has improved since last year, with achievement above the required standard of 75% by the end of 2022/23.

Performance	target	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
2ww	93%	51.36%	68.34%	66.89%	48.00%	44.52%	46.85%	57.50%	64.46%	67.21%	58.08%	67.44%	55.40%
Symptomatic	93%	81.54%	93.10%	92.31%	96.15%	80.00%	93.22%	98.48%	95.83%	95.83%	80.00%	87.72%	85.06%
28 day FDS	75%	71.07%	74.22%	68.87%	65.50%	72.08%	65.01%	71.08%	74.33%	78.71%	66.96%	73.06%	77.88%
31 day 1st treatment	96%	97.46%	98.00%	99.19%	97.83%	99.15%	95.57%	96.75%	98.44%	98.99%	89.69%	97.96%	97.83%
31 day Sub (drugs)	98%	100.00%	98.41%	98.41%	95.24%	97.83%	100.00%	95.65%	97.62%	94.64%	89.58%	100.00%	100.00%
31 day sub (surgery)	94%	77.78%	100.00%	100.00%	87.50%	100.00%	90.91%	100.00%	87.50%	100.00%	100.00%	83.33%	88.89%
62 day RTT - Screening	90%	62.50%	66.67%	56.25%	78.57%	81.25%	58.33%	50.00%	56.25%	66.67%	71.43%	75.00%	71.43%
62 day RTT - treatment	85%	70.95%	72.04%	75.00%	75.66%	60.56%	67.78%	69.80%	69.46%	72.48%	61.38%	70.86%	74.74%

The increase in referrals has translated to an increase in cancer diagnosis and thus cancer treatments had also increased by 5.68% compared to the previous year, above the 5% target set by the Wessex Cancer Alliance.

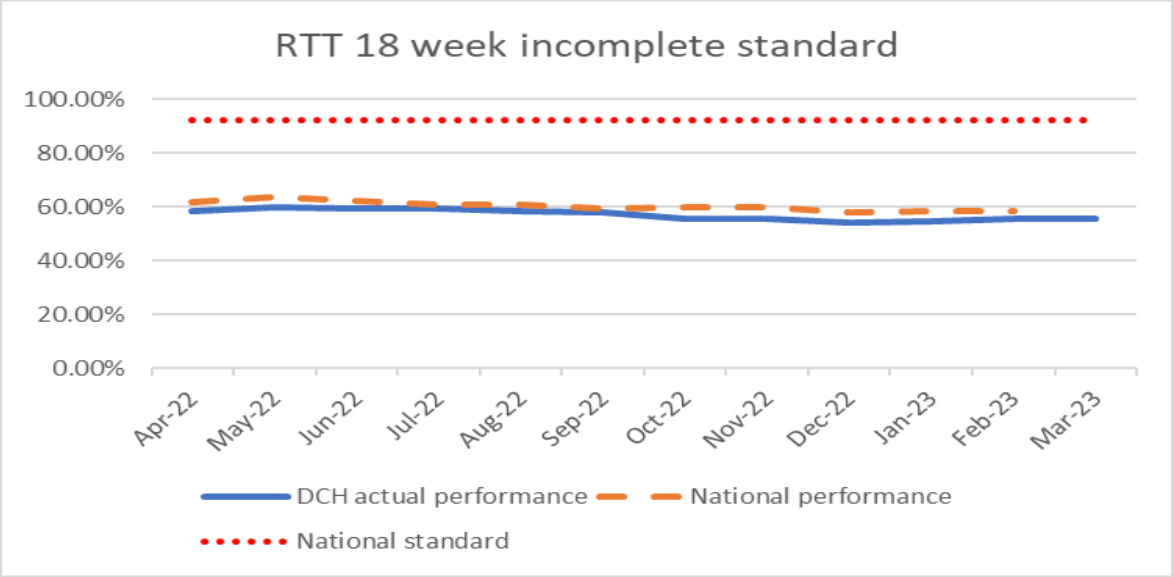


Despite the increase in treatments, for 8 months across the year 2022/23 the number of patients waiting over 62 days for treatment has exceeded that of the previous three years. The growth in the backlog, compared to the growth in demand, has been small and the trust has continued to maintain a steady waiting list size for the patients with a cancer diagnosis despite an increasing number of referrals.

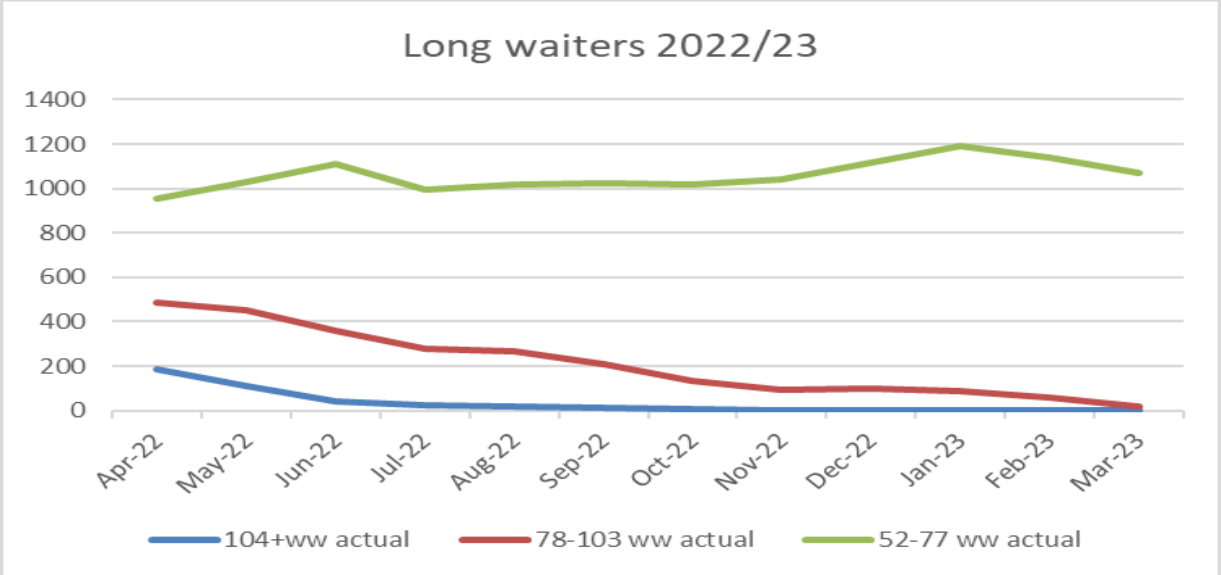


Operational Performance: Referral to Treatment Times

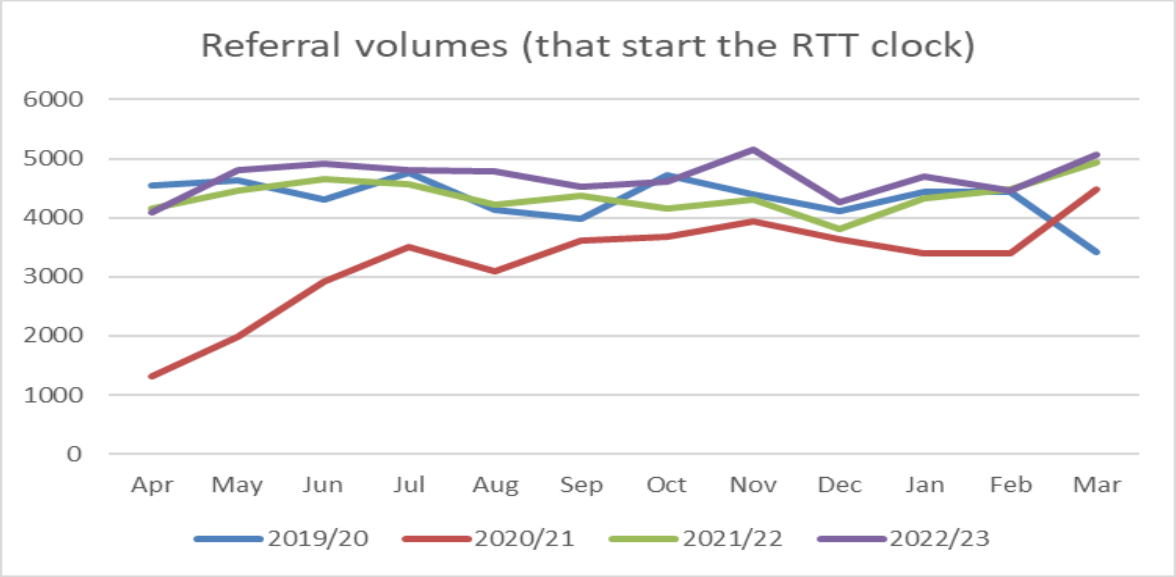
The trust did not achieve the Referral to Treatment (RTT) standard for elective care throughout 2022/23. Performance against this metric has remained steady and broadly tracked the national performance.



In response to the national waiting list recovery imperative, the trust has also focussed was on eradicating the longest waiters. At the end of 2022/23, the trust had treated all patients waiting over 104 weeks and had 19 patients waiting over 78 weeks, all of which were due to patient choice or a complex pathway.



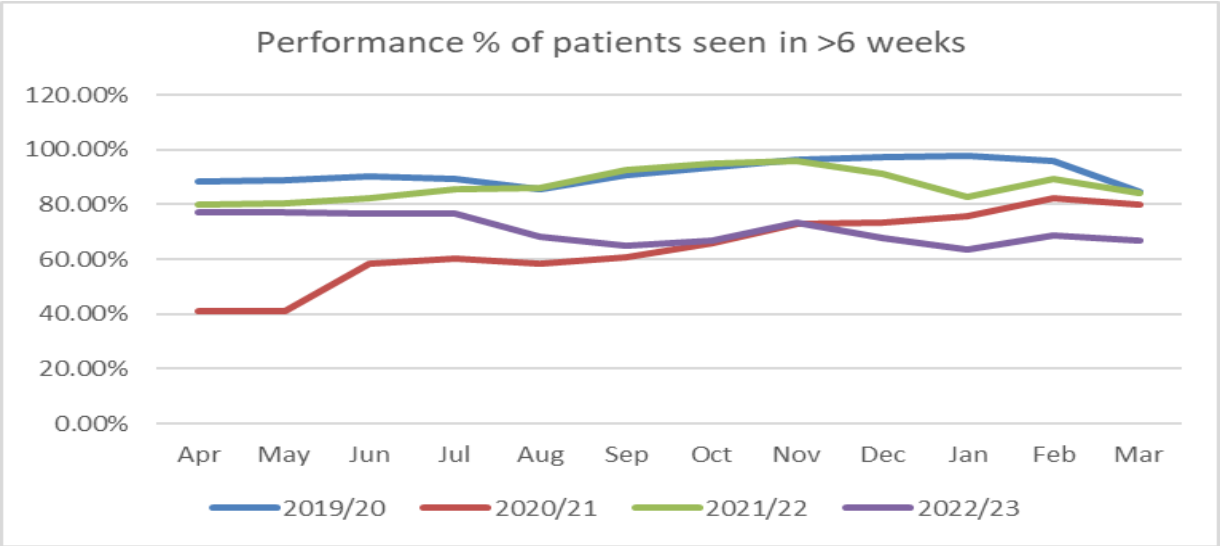
Referral volumes for the financial year 2022/23 had increased by 7.64% when compared to 2019/20 and increased by 6.60% when compared to the previous year. As a result, the total waiting list has grown from 17,535 to 19,397.

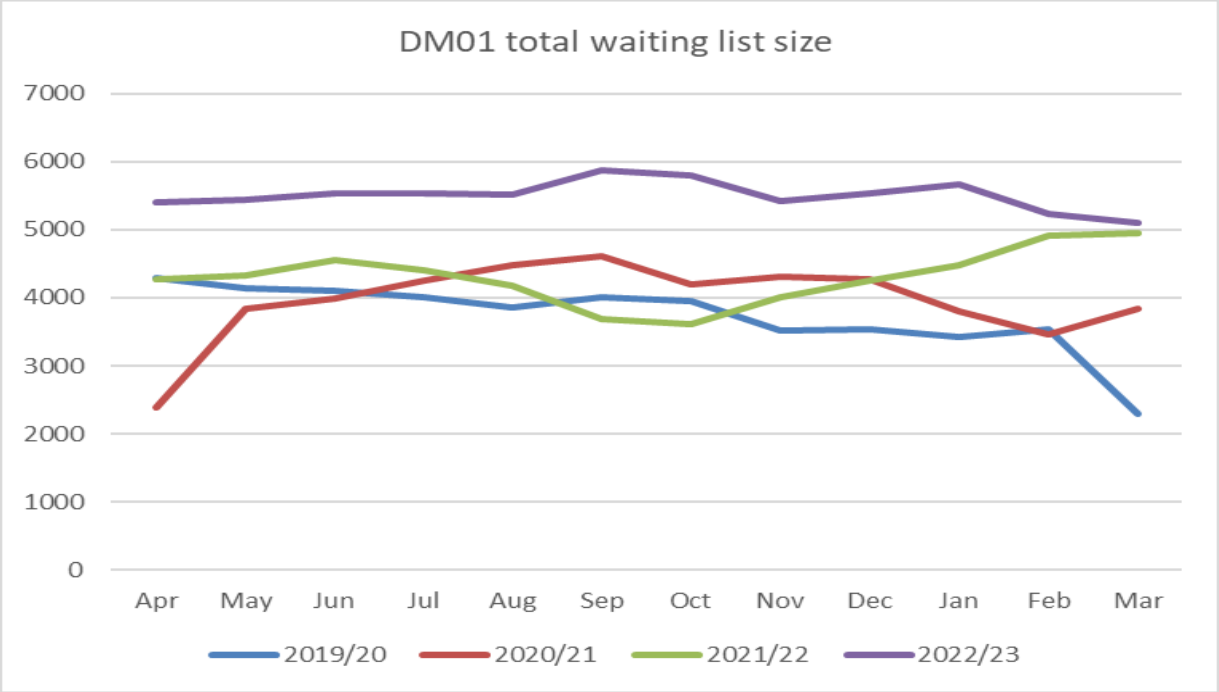


Although this put further pressure on services, the trust was pleased to see that patients were accessing the care and treatment they needed. The trust has responded by increasing capacity within the constraints of available resources.

Operational Performance: Diagnostic Waiting Times

Diagnostic performance against the six-week waiting time standard has performed below the level seen in the previous year, with performance in the last 4 months being the lowest in the last four years. The demand increases for both elective and non-elective pathways has put considerable pressure on diagnostic services, coupled with a national shortage of radiographers, this has resulted in the total waiting list size growing.





The trust is working on securing capacity from independent sector providers and insourcing capacity. Pathway re-design is critical to managing the high levels of demand and the trust is working with system partners on new referral criteria and delivery pathways for services such as Echocardiograms, which has the largest backlog of all diagnostic modalities.

The trust is committed to bringing down the diagnostic waiting times as it is an imperative enabler for the delivery of all non-elective and elective pathways.

Environmental Performance

Following the Health and Care Act 2022, passed in July 2022, carbon reduction targets for the NHS are embedded into UK law. This also brings in that NHS Trusts must have regard to the Environment Act 21 target areas including air quality; water; biodiversity, resource efficiency and waste reduction. These NHS carbon targets are defined against 1990 levels to allow comparison with the UK Climate Change Act (2008) targets which requires NHS Trusts to:

- Reach net zero by 2040 for the emissions controlled directly by the NHS with an 80% reduction by 2028-2032 against 1990 levels.
- Reach net zero by 2045 for the emissions trusts can influence but do not directly control with an 80% reduction by 2036-2039 against 1990 levels.

The NHS has now defined these national targets against a 2019/20 baseline in line with the Delivering a Net Zero NHS and has given estimates for each trust.

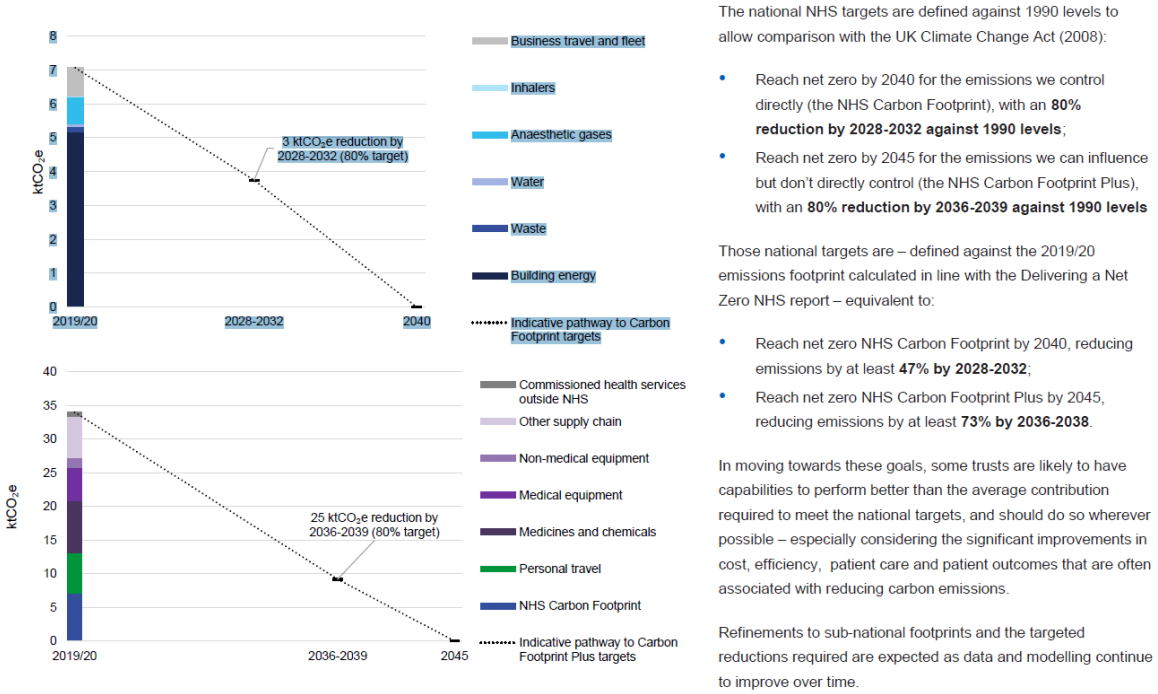
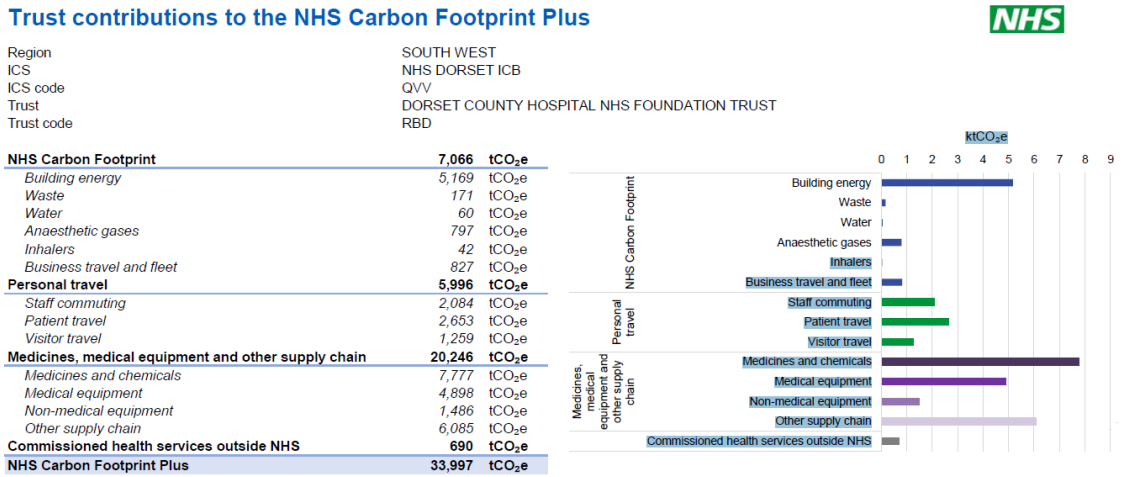


Fig 1. South West NHS DCH Carbon Footprint Estimates 2019/20 – the forecast to net zero.

The Sustainability Manager, aided by a new Sustainability Officer, and estates administration team, will establish a local CO2e baseline and check for discrepancies in the estimated carbon emissions of the Trust. The estimated carbon footprint can be adopted as a baseline while this work is carried out. The carbon reduction target for 2028-2032 will sit within relevant DCH policy and Green Plan (GP) tracker. Initial plans are likely to focus on bigger contributors to carbon emissions, directly, such as building energy, and, indirectly within the Trust's control, such as staff commuting. Then funding is needed to deliver the plans.

Fig 2. South West NHS Carbon Footprint Estimates 2019/20 – Illustrating areas of largest CO2e.



Trust contributions to the NHS Carbon Footprint Plus

Region	SOUTH WEST
ICS	NHS DORSET ICB
ICS code	QVV
Trust	DORSET COUNTY HOSPITAL NHS FOUNDATION TRUST
Trust code	RBD

NHS Carbon Footprint	**7,066**	**tCO_2e**
Building energy	*5,169*	tCO_2e
Waste	*171*	tCO_2e
Water	*60*	tCO_2e
Anaesthetic gases	*797*	tCO_2e
Inhalers	*42*	tCO_2e
Business travel and fleet	*827*	tCO_2e
Personal travel	**5,996**	**tCO_2e**
Staff commuting	*2,084*	tCO_2e
Patient travel	*2,653*	tCO_2e
Visitor travel	*1,259*	tCO_2e
Medicines, medical equipment and other supply chain	**20,246**	**tCO_2e**
Medicines and chemicals	*7,777*	tCO_2e
Medical equipment	*4,898*	tCO_2e
Non-medical equipment	*1,486*	tCO_2e
Other supply chain	*6,085*	tCO_2e
Commissioned health services outside NHS	**690**	**tCO_2e**
NHS Carbon Footprint Plus	**33,997**	**tCO_2e**

In this year supporting guidance to attaining net zero from Greener NHS Southwest and NHS England (NHSE), includes the Estates Net Zero Technical Annexe, GP Toolkit and NHSE Carbon Footprint estimates per Trust (above).

The Sustainability Manager gathers information for The Greener NHS Data Collection from across the Trust on a quarterly basis. The information provides a baseline for providers and the Integrated Care Systems (ICS) against key deliverables for the Greener NHS Programme and reporting to the NHS Sustainability Board, NHSE and NHS Improvement Public Boards.

This year has seen some great initiatives by the trust's 'Sustainability Champions' and other teams across the hospital including a trial of Woodcast casts and non-plastic Velcro in hand therapy. Nitrous oxide, a helpful gas that contributed to safe anaesthesia and sedation for patients over the past 150 years unfortunately, remains in the atmosphere for over a hundred years contributing to global warming and piped provision across the whole main hospital was removed in December 2022.

Since 2021-22, the NHS Greener in Dorset Group, which comprises the Sustainability Managers from all the Dorset NHS Trusts, Dorset Public Health and SWAST, continues to grow from strength to strength. This group is working together to realise the collaboration opportunities that the ICS brings. Already the group has successfully rolled-out the 'Ecoearn' app. There have been 6,637 staff registered with Ecoearn.

This is an online platform available to all employees at Dorset NHS Trusts promoting activities to boost sustainability and well-being, earn Green Points, and win prizes for positive efforts. From September 2022 to February 2023 475,095 actions were completed, with competitions between teams, and an equivalent of 1,211.888Kg of CO2e was saved.

NHS Dorset Liftshare was launched around the same time with 320 members, 232 journeys registered, 10 lift sharing teams and 35 members confirmed. This was enhanced with a promotion of free cinema tickets for people registering and validating a journey in January.

The trust has commenced initial investigation of options to improve energy efficiency and building energy CO2e (Carbon Dioxide and equivalent greenhouse gases). The recruitment of a Sustainability Officer, will support more engagement in the trust, celebrating Sustainability Champions and greener NHS leads across the trust.

Green Plan Update

The trust continues to monitor actions within its Green Plan (GP). Progress against the 10 themes within the plan are as follows:

1. **Workforce and System Leadership**

- There is an action to have subgroups on each theme of the Green Plan. There is a 'Greener Theatres' subgroup that reports to the Sustainability Working Group and follows the Intercollegiate Green Theatre Checklist. There is an Energy Efficiency Working Group.
- Sustainability training for key colleagues is being developed with Green Plan partners.
- Potential training on Biodiversity Net Gain is being investigated with ecologists.
- Induction stands introducing staff to the Green Plan will be further developed by the Sustainability Officer with the Sustainability Manager
- Ecoearn, our pledge platform for staff, has begun with rewards and inter-team competitions,
- Dorset NHS Liftshare was promoted with free cinema vouchers in January and February.

2. **Sustainable Models of Care**

- This year saw the phasing out of Ethyl Chloride sprays, which are contributor to greenhouse gases. These sprays have been and replaced with ice and 'Cool Sticks' in detecting if spinal blocks have worked in maternity services and general surgery.
- A Green Travel Plan was prepared for South Walks House, where several trust teams will be housed. This aims to reduce the need to travel as 'virtual rooms' will be provided, enabling consultations and meetings to be undertaken through the use of tele / video conferencing.

3. **Digital Transformation**

- to date 20% of outpatient activity has been delivered remotely (target 25%)
- several services have analysed paper use and identified opportunities to reduce this. A small number of licenses to support paperless invoicing were funded in Pharmacy and the trust aims to develop more paperless initiatives.

4. **Travel and Transport**

- A Green Travel Plan for the re-development of South Walks House with Tilbury Douglas has been completed.

- Options to promote low carbon travel are being explored by the trust with Dorset Council
- 85% of the trust's fleet are Low Emission Vehicles. The trust is exploring Ultra Low Emission and Zero Emission vehicles.

5. Estates and facilities

- The trust is meeting Estates and Facilities targets in the main and acknowledges the further work required to further develop its decarbonisation plan and to further consider NHSE Estates Net Zero Technical Annexe road maps. Plans include the appointing or commissioning an Energy Manager by March 2024.
- The trust has rehomed 61% of old items, up 5%, and is working towards getting the Warp-It app where staff members can organise re-homing equipment and furniture moves themselves. The trust is working in partnership with Physio-net to donate old crutches to developing countries.
- A non-clinical plastic reduction scheme discounting prices for staff using their own cups has reduced the use of wax paper cups in the restaurant by 80%.
- A clinical area trial includes swapping out plastic limb bins for reinforced carboard anatomical bins, which are also lighter and cheaper.

6. New Hospital Project

- The New Hospital Programme, delivering site development schemes, is working to BREEAM+ (industry recognised environmental standards). The trust is investigating whether waste heat from the Combined Heat Pump can be reused.

7. Medicines

- In line with Greener NHS Data reporting requirements to reduce the use of Desflurane, a useful anaesthetic but a considerable greenhouse gas contributor, to 10% the trust discontinued use to this gas April 2022. Isoflurane was discontinued in 2021.
- Changing existing inhaled medication systems (e.g., Inhalers) will take longer to achieve.
- The 'piped' Nitrous Oxide (NO2) manifold was decommissioned in December 2022. The gas will be only available in cylinders going forward.

8. Supply chain and procurement

- The trust is currently in negotiations to ensure Renewable Energy Guaranteed of Origin (REGO) business guaranteed net zero supply.
- Revisions to the trust's Sustainability Procurement Policy are to take place by August 2023. Goods and services purchased by the trust contribute to over 50% of the trust's carbon footprint. The current policy aims to reduce that, and at the same time ensure social value is delivered.

9. **Food & Nutrition**

The hospital Catering team have achieved the Food for Life Served Here, Soil Association Bronze Standard. The trust has a biodigester for food waste and are taking further steps to investigate and reduce food waste.

10. Adaptation

The Sustainability Manager is developing Biodiversity Planning and Biodiversity Net Gain training. The Adaptation Plan to 2026 is being reviewed to ensure aspects of the plan continue to be integrated into the trust's business planning and operational processes.

Notes

The Estates Net Zero Technical Annex was produced to support the Estates Net Zero Carbon Delivery Plan and was published in November 2021. The Delivery Plan details six themes around which the trust plans to deliver a net zero carbon NHS estate by 2040. Each theme has a specific aim and is supported by eleven strategic actions. The Estates Delivery Plan supports the delivery 'Net Zero National Health Service' requirement published by NHS England and NHS Improvement in October 2020. The Delivering a Net Zero National Health Service report was republished in July 2022 as statutory guidance, following the passing of the Health and Social Care Act.

The Net Zero goals are a statutory requirement supported by the technical annex which set out the steppingstone guidance to meet the goals. It is anticipated that the steppingstone guidance will be incorporated into standard contract annual revisions.

Intercollegiate Green Theatre Checklist, Royal College of Surgeons Edinburgh, Royal College of Surgeons, England, Royal College of Physicians Surgeons and Glasgow
A list of recommendations to reduce the environmental impact of operating theatres.

Social Community and Human Rights Issues

The trust takes its responsibilities towards the community it serves very seriously and recognises the responsibility it has to:

- meet the needs of the population it serves as safely, effectively and efficiently as possible.
- ensure that services are designed and delivered taking into account the views and opinions of patients.
- improving the wider economic, social and environmental well-being of the local population, through its social value commitments as an anchor institution.
- take into account its status as a large employer and that decisions it makes may impact on the local economy and the health and wellbeing not only of staff but their families as well.
- take into account the impact it has on the environment. As set out in the sustainability report, the trust is committed to reducing its environmental impact.
- take into account its responsibility to respect human rights and to ensure that actions and decisions do not have an adverse impact on human rights.
- ensure that staff feel motivated, empowered and are clear about the difference they are making to patient care and the achievement of the trust's strategic objectives.
- ensure that the trust is a positive place to work.

Social Value
Dorset County Hospital NHS Foundation Trust, as an anchor institution, commits to maximise the positive social value impact we have on our local communities, contributing to improving the economic, social and environmental well-being of the local population. Through our approach to delivering social value as an acute trust, we aim to reduce avoidable inequalities and improve health and wellbeing across our community.

Social Value Pledge
The Dorset County Hospital NHSFT Social Value Pledge is available on the hospital's website https://www.dchft.nhs.uk/about-us/social-value/ and presents the trust's commitments to helping to improve the overall well-being of the community.

The trust is committed to:

Maximising Local Investment
Maximising local investment, recognising the social, economic and environmental benefits of buying locally when procuring goods and services.

Increasing Local Employment
Increasing employment and training opportunities for local people, especially from areas of high deprivation and unemployment.

Being Recognised as a Good Employer
Providing outstanding careers, ensuring that employees have a positive and fulfilling experience - empowering staff to deliver outstanding services, sustainably, every day.

Championing Equality, Diversity and Inclusion
Championing equality, diversity and inclusion, recognising people from different backgrounds and experience make a valuable contribution to the way in which we work.

Being Greener and Sustainable
Recognising the impact the trust has on the environment and our responsibility to improve the trust's sustainability and contributing to better health and well-being of the local community.

Promoting Civic Partnerships
Promoting partnerships between Dorset County Hospital and the civic community, implementing local activities which contribute to reducing inequalities and improving health and well-being for all. Further details of the work that the trust is undertaking around apprenticeships, volunteering and young volunteer and work experiences schemes can be found in the Staff Report section.

Social Value Action Plan
The trust's Social Value Programme Group has developed Dorset County Hospital Foundation Trust's Social Value Action Plan, aligned to the Trust Strategy. The Social Value Programme Group is focused on embedding delivery of social value, in alignment with the hospital's Health Inequalities programme, across the trust. This involves aligning to the Trust Strategy and enabling plans and embedding social value impact assessment in trust policies

and business planning processes. The group have implemented methodologies for measuring and reporting social value delivered by the trust. This forms the basis for social value reporting, internally and externally, including to the Board of Directors. Dorset County Hospital's social value delivery is reflected in a range of current activities and longer-term aims including those outlined in the new Dorset County Hospital Green Plan.

Dorset Anchors Network
Dorset County Hospital is a member of the Dorset Anchors Network. The ambition of the network is outlined in the Dorset Anchors Charter which aims to improve the social, economic and environmental well-being of the communities across Dorset.

Charitable Activities

Dorset County Hospital Charity
The Charity's purpose is to raise funds to enhance patient care and staff welfare at Dorset County Hospital; providing support that is above and beyond the NHS budget. Dorset County Hospital Charity's Strategy 2022-25 details fundraising plans, budgets and opportunities. These include a new major capital appeal supporting enhancements to the planned new Emergency Department and Critical Care Unit and a focus on rebuilding the charity's income post-pandemic to improve the charity's financial sustainability and contribution it makes to enhance patient care and staff welfare.

Friends of Dorset County Hospital
The Friends of Dorset County Hospital fundraise in support of the hospital, providing funds which benefit patient care. Due to the impact of the pandemic, they have needed to close their retail shop in the hospital and have ceased their ward trolley service. Their ongoing funding support is greatly valued by the hospital.

Volunteering and Community involvement
The volunteer service at Dorset County Hospital is part of the Patient and Public Engagement team supporting a positive patient experience. The impact of COVID-19 has seen significant changes to the service and seen the service more in demand than ever before. The volunteer team has been an integral part of the trust's COVID-19 vaccination centre and engages with voluntary sector partners and the local community on activities to encourage and provide volunteer opportunities. The trust's volunteer service also runs a Young Volunteer Programme which is supported by the 'Pears #iWill Fund', and which has developed opportunities for 16- to 24-year-olds to volunteer in the hospital. The trust's volunteer Patient and Public Engagement Action Group, 'Your Voice', continues to work on a number of projects to help improve patient experience.

Human Rights
The Human Rights Act is integrated into the trust's day to day operations and implemented through policies, procedures and strategy. It is essential that staff and service users are aware of the specific requirements of the Act and its application in a human rights-based approach to healthcare. The principles of Human Rights are integrated within the Trust training programme and communicated to patients via the Patient Charter.

Anti-Bribery
The Bribery Act 2010 which came into force on 1 July 2011 aims to tackle bribery and corruption in both the public and private sectors.

Bribery can be defined as "giving someone a financial or other advantage to encourage them to perform their functions or activities improperly or reward them for having done so".

Dorset County Hospital NHS Foundation Trust is committed to applying the highest standards of ethical conduct, following good NHS business practice and having robust controls in place to prevent bribery. As an organisation, the trust cannot afford to be complacent and under no circumstances is the giving, offering, receiving or soliciting of a bribe acceptable. The trust's zero tolerance approach to bribery and corruption is set out in further detail within the trust's Anti Bribery Policy and across a range of other trust policies and procedural documentation.

The trust is committed to ensuring that all staff are aware of their responsibilities in relation to the prevention of bribery and corruption and that the risk of trust exposure to acts of bribery is mitigated.

Modern Slavery Act 2015
Dorset County Hospital NHS Foundation Trust supports the Government's objectives to eradicate modern slavery and human trafficking and recognises the significant role the NHS has to play in both combatting it, and in supporting victims. In particular, the trust is committed to ensuring its supply chains and business activities are free from ethical and labour standards abuses. The trust's Modern Slavery and human trafficking statement can be accessed on the hospital website: https://www.dchft.nhs.uk/about-us/procurement/modern-slavery-statement/

Overseas Operations
The trust has no overseas operations.

Events After the Reporting Period
There have not been any significant events requiring disclosure after the reporting period to the date of this report.

Signed

Matthew Bryant
Chief Executive
14 June 2023

Accountability Report

The Board of Directors, collectively and individually, are required to act with a view to promoting the success of the organisation so as to maximise the benefits for its members and the public. Paragraph 18A of Schedule 7 of the National Health Service Act (NHS Act 2006) (as inserted by the Health and Social Care Act (HSCA) 2012. The Foundation Trust Code states that 'Every Foundation Trust should be headed by an effective Board of Directors. The Board of Directors is collectively responsible for the performance of the trust'.

Directors' Report

Dorset County Hospital NHS Foundation Trust operates a unitary board which comprises both Executive and Non-Executive Directors under the leadership of the chair. In a unitary board, directors are collectively and corporately accountable for the organisation's performance and benefit from the opportunity to share knowledge and experience gained from a variety of sectors.

There have been a number of changes on the board following the implementation of the Integrated Care Board and system, as well as a number of routine changes due to terms of office coming to an end and staff retirement. These changes are reflected throughout the report.

The unitary Board of Directors comprises:

Voting members

- Mark Addison, Trust Chair
- Sue Atkinson, Non-Executive Director, Senior Independent Director (to August 2022)
- Margaret Blankson, Non-Executive Director
- Judy Gillow, Vice Chair (to August 2022)
- Eiri Jones, Non-Executive Director, Vice Chair (from September 2022)
- Stuart Parsons, Non-Executive Director
- Stephen Tilton, Non-Executive Director
- David Underwood, Non-Executive Director, Senior Independent Director (from September 2022)
- Matthew Bryant, Chief Executive Officer Designate (from March 2023)
- Paul Goddard, Chief Financial Officer (to October 2022)
- Dawn Harvey, Chief People Officer (to July 2022)
- Chris Hearn, Chief Financial Officer (from October 2022)
- Jo Howarth, Interim Chief Nursing Officer (from November 2022)
- Alastair Hutchison, Chief Medical Officer and Deputy Chief Executive (from November 2022)
- Nick Johnson, Interim Chief Executive Officer, (previously Deputy Chief Executive Officer/Director of Strategy, Transformation and Partnerships)
- Nicky Lucey, Chief Nursing Officer and Interim Deputy Chief Executive (to October 2022)
- Anita Thomas, Chief Operating Officer

Non-voting

- Ruth Gardiner, Interim Chief Information Officer (from September 2022)
- Emma Hallett, Interim Chief People Officer (from July 2022)
- Stephen Slough, Chief Information Officer (to August 2022)
- Dhammika Perera, Associate Non-Executive Director (from December 2022)

Dorset County Hospital operates a 'Fit and Proper Persons' requirement process for all Directors on appointment and operates a code of conduct that builds on the values of the trust and reflects the high standards of probity and responsibility. In line with best practice, members of the Council of Governors also undertook a self-declaration of compliance with the Fit and Proper Persons requirements in year. Governor compliance with these requirements will form part of the licence conditions for NHS provider organisations from April 2023.

The trust has seen the following appointments in year:

- The internal appointment of a Vice Chair, following the departure from the trust of the former Vice Chair in August 2022
- The internal appointment of an Interim Chief Information Officer, following the departure from the trust of the former Chief Information Officer in August 2022
- The internal appointment of an Interim Chief People Officer, following the departure from the trust of the former Chief People Officer in July 2022
- The appointment of a Chief Financial Officer, following the departure from the trust of the former Chief Financial Officer in October 2022
- The appointment of an Interim Chief Nursing Officer, following the departure from the trust of the former Chief Nursing Officer in October 2022
- The appointment of a joint Chief Executive Officer in collaboration with Dorset HealthCare University NHS Foundation Trust, to commence formally on 1 April 2023
- The appointment of a joint Chair in collaboration with Dorset HealthCare University NHS Foundation Trust, to commence formally on 1 May 2023
- The extension to the tenure of the Chair, as outlined in the Corporate Governance Report

Board of Directors' Register of Interests

Dorset County Hospital NHS Foundation Trust is required to maintain a record of the details of company directorships and other significant interests held by Directors which may conflict with their management responsibilities. The trust maintains a Register of Interests for Executive Directors, Non-Executive Directors, Governors and senior members of staff. The Register of Declarations of Interest for our Board members is available on the hospital website https://www.dchft.nhs.uk/about-us/freedom-of-information/publication-scheme/ or on request from the Head of Corporate Governance.

Council of Governors Register of Interests

Information about the Council of Governors Register of Interests can be found in the Corporate Governance Report.

HM Treasury Compliance

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

Political Donations

Dorset County Hospital NHS Foundation Trust has not made any political donations during 2022/23.

Better Payment Practice Code Compliance

The trust has adopted the Better Payment Practice Code, which requires it to aim to pay all undisputed invoices by their due date, or within 30 days of receipt of goods or a valid invoice. The application of this policy resulted in a supplier payment period of 27 days for the trust's trade payables as at 31 March 2023 (2022: 29 days). The trust incurred interest and compensation charges of £259 during 2022/23 (2021/22 £294) under the Late Payment of Commercial Debt (Interest) Act 1998. The performance of the trust in complying with the Code were as follows:

	2022/23		2021/22	
	Number	Value £000	Number	Value £000
Trade payables				
Total bills paid in year	**63,616**	**122,469**	63,065	102,044
Total bills paid within target	**58,635**	**113,740**	58,103	94,092
Percentage of bills paid within target	**92%**	**93%**	92%	92%
NHS payables				
Total bills paid in year	**1,253**	**14,398**	1,168	14,039
Total bills paid within target	**1,116**	**13,158**	1,077	13,178
Percentage of bills paid within target	**89%**	**91%**	92%	94%

Income Disclosure

The trust has met the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), by ensuring the income from the provision of goods and services for the purposes of the health service in England are greater than income from the provision of goods and services for any other purposes. The income from provision of goods and services for any other purpose was £963k which represents 0.34% of total trust income. The trust's financial planning process ensures the requirement is maintained in the future and that any income for other purposes is contributing a profit for reinvestment into health services in England.

Disclosure relating to NHS Improvement's Well Led Framework

Information relating to the trust's Well Led inspection can be found in the Corporate Governance Report and the Annual Governance Statement sections of this report.

Patient Care

The trust informs patients and carers how to raise concerns in the bedside folders, on the trust website and in the “How was your experience at Dorset County Hospital?” leaflet which is found around the hospital. This leaflet promotes ways to give positive feedback as well as information about raising a complaint.

All feedback, concerns and complaints are co-ordinated centrally and upon receipt are screened and triaged according to the seriousness of the issues raised. The focus is to consider each complaint from the complainant’s perspective and complainants are offered the opportunity to discuss the way in which their complaint is handled.

Details of complaints are recorded on the Datix web-based system, this enables complaints and concerns to be managed in an open, central and accountable manner.

The responsibility for investigating complaints is devolved to the Divisions and their respective teams, who are required to provide a comprehensive response within an agreed timeframe. This outlines the response to the investigation with recommendations, learning or actions taken for improvement where appropriate. The final response to every formal complaint is agreed and signed by the Chief Executive or a nominated deputy.

The complaints process allows the trust flexibility in arranging local resolution meetings with complainants. These meetings usually include the relevant healthcare professionals, including the Consultant or Matron, in order that questions can be answered by the clinicians delivering care and a personal apology is given where appropriate. This has proved to be a very positive and helpful process with the openness of the meetings being well received by all participants. Prior to the COVID-19 (Coronavirus) pandemic, many of these discussions were held face-to-face. During the COVID-19 (Coronavirus) pandemic, and due to the challenges around staff availability and social distancing requirements, alternative methods to facilitate this option were explored via virtual meetings or telephone. As the COVID-19 (Coronavirus) pandemic eases, face to face meetings are now being offered to complainants once again.

This year our task was to continue to improve the timeliness of responses to complaints so that complainants are responded to within mutually agreed timescales.

We have continued with a 40 working day response timeframe which was agreed by both Divisions. As the hospital has continued to experience high demand, this enabled the trust to respond to complaints in a realistic timeframe due to the demands on the clinical staff during the past year. Due to the continued demand on the hospital and clinical teams, timescales have occasionally not been met and compliance will continue to be monitored via the Patient Experience and Public Engagement Committee.

The opportunity to learn from complaints should not be missed by the trust and most complainants make complaints in order for the organisation to learn from what has happened to them.

Complaints are an important way for the management of an organisation to be accountable to the public, as well as providing valuable prompts to review organisational performance and the conduct of people that work within and for it.

Staff from across the trust regularly reflect on complaints at divisional and departmental meetings and support is provided by the Patient Experience Team which enables them to understand the emotional experience from the complainant's and staff perspective and to reflect upon improvements in relation to aspects of care.

Learning and actions from complaints are monitored through the Divisions and Care Groups and where appropriate learning is shared across the organisation. Examples of learning from complaints are included in the quarterly Patient Experience Report which is reviewed by the Quality Committee.

The actions from learning points are allocated to individuals in the Divisions via the Datix system and are monitored at Divisional and Care Groups meetings.

Patients have continued to assist the trust to learn by making videos and narrating their experience of the care that they received, and their feelings about the complaints management process. These videos are shared with the relevant divisional leads and are presented at Board of Director meetings via the Patient Story item on the agenda.

We will continue to ensure that we learn when our patients tell us they have not had a good experience. Learning from complaints assures our patients that the trust has taken their complaint seriously and taken the opportunity to learn from their feedback.

As part of the continuing work towards the Accessible Information Standard, the trust has reformed the working group and reviewed the action plan that was developed pre-COVID. The group comprises inclusion and learning disabilities colleagues as well as an expert by experience with dual sensory loss and who has provided some valuable feedback to the trust about accessible information. We have invested in training additional staff in the production of easy-read patient information to ensure resilience within the limited resources available.

The trust has collaborated with Dorset Carers Hub to produce a short film about the experience of Carers at DCH. This film forms part of a rolling programme of education for staff to promote the importance of including carers in the discharge process. This training is currently ongoing and is being well received. The training was paused at times over the winter period due to the increased operational pressures in the hospital.

The Carers Passport has been co-designed with local carers and in collaboration with the carers teams at both University Hospitals Dorset and Dorset Healthcare. The passport has been developed to distinguish and identify informal carers on the ward. Once a carer is identified, the ward manager will issue a Carers Passport and lanyard to ensure that all carers are clearly recognisable by the ward team.

An information folder for wards which includes carer information, discharge information and what services, charities and organisation are available to support the patient when they

return home has been produced. This information is also available online for staff to access.

Stakeholder Relations

Working with stakeholders and partners is increasingly becoming common practice within the trust and is part of our strategy. The Trust Strategy has three key themes: People, Place and Partnership. We describe Partnership as:

We will work in collaboration with our patients and population to co-design services that meet their needs. We will work more closely with the local authority, community and primary care teams. We will work together to reduce clinical variation across Dorset. We will increase the capacity and resilience of our services by working with our provider collaboratives and networks. We will contribute to a strong, effective Integrated Care System, focused on meeting the needs of the Dorset population. We will ensure best value for the population in all that we do. We will create partnerships with commercial, voluntary and social enterprise organisations to address key challenges in innovative and cost-effective ways.

The trust has an active Patient Advice and Liaison Service as well as a vibrant volunteering team with excellent links to local residents, schools and colleges.
The trust is fully embedded into the newly formed Dorset Integrated Care System (ICS). The trust supported the development of the ICP (Integrated Care Partnership) strategy: One of the key themes is 'Working Better Together' which aligns well with the trust theme of partnership.

Working with the Integrated Care Board, the trust is supporting the development of the ICS-wide Provider Collaborative aimed at standardisation of patient experience and outcomes, economies of scale and reductions in unwarranted variation. Membership includes all healthcare providers including our acute, community, mental health and primary care partners. There are many collaborations already in existence and the Provider Collaborative will not seek to duplicate those efforts. Examples of partnership in this vein include the collaboration of the one Dorset Pathology service, development of an Electronic Patient Record and the New Hospital Programme; the latter two receiving national funding. The trust is also an active participant in the 'Getting It Right First Time' programme, which is a collaborative effort with healthcare partners and presented Dorset-wide.

The Place Based Partnership programme creates new opportunities to partner with residents, community groups, Voluntary, Community and Social Enterprise (VCSE) partners, as well as our social and healthcare care colleagues. While this work is still developing, the trust facilitated the national development programme in Dorset. As a result, the trust partnered with 'Help and Kindness', a local charity, to understand more about and help with food poverty.

Through our Social Value programme we directly support the ICS aim of helping the NHS to support broader social and economic development and continue the journey to be part of the community and not apart from it.

To improve patient experience, outcomes and reduce costs, the trust has started to collaborate even more with Dorset Healthcare University NHS FT (DHUFT), a community

and mental healthcare provider. A joint Chief Executive Officer was recruited and takes up their role formally 1 April 2023. A joint Chair is also being recruited and starts their post in May 2023. Closer collaboration has led to improvements in stroke and neuro pathways which piloted in Sherborne and the development of a joint research hub in Weymouth.

To improve outpatient efficiency and patient experience, the trust created a temporary outpatient assessment centre (OAC). The innovative service put the patient at the centre of care supported by a multidisciplinary team (MDT). The MDT is made up of trust and DHUFT clinicians and Live Well Dorset; a partnership of Dorset Council and Bournemouth, Christchurch and Pool Council. The temporary OAC was so successful, work began to build a permanent OAC. The trust, working with Dorset Council agreed a 20-year lease to occupy an empty office building called South Walks House in the centre of Dorchester. The refurbishment will be funded through the national Targeted Investment Fund (TIF). In addition, the building will have diagnostic and procedure suite facilities reducing the number of visits patients will need to make to hospital.

Remuneration Report

The Remuneration Report has been prepared in accordance with the following legislative requirements:

- Sections 420 to 422 of the Companies Act 2006 (section 420(2) and (3), section 421(3) and (4) and section 422(2) and (3) do not apply to NHS foundation trusts)
- Regulation 11 and Parts 3 and 5 of Schedule 813 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) ("the Regulations")
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by this Manual and
- elements of the NHS Foundation Trust Code of Governance.

Annual Statement on Remuneration

As Chairman of the Remuneration and Terms of Service Committee, I am pleased to present the Remuneration Report for 2022/23.

The purpose of the Remuneration and Terms of Service Committee is to make recommendations to the Board of Directors in relation to the appointment and remuneration of the Chief Executive Officer and Executive Directors. The committee also reviews and makes recommendations regarding the Board of Directors' skill mix and balance, taking into account future challenges, risks and opportunities facing the trust and the skills and expertise that the Board of Directors requires in order to meet these.

The Remuneration and Terms of Service Committee also ensures adequate succession planning arrangements for the executive team are in place. The committee employed the services of an independent search agency when executing its duties in relation to the successful appointment of the joint Chief Executive Officer. The agent was appointed jointly with Dorset HealthCare NHS Foundation trust, through the trust's usual procurement processes on behalf of the committee and the fee for these services was £25,000 plus VAT. This cost was shared equally with Dorset HealthCare NHS Foundation Trust.

The Remuneration and Terms of Service Committee met on eight occasions and discussed the following:

- the executive recruitment process and the terms and reference of the Remuneration and Terms of Service Committee
- appointment and remuneration of the replacement Chief Financial Officer in 2022
- the arrangements and remuneration for:
    - the Interim Chief People Officer in 2022
    - the Interim Chief Information Officer in 2022
    - the Interim Deputy Chief Executive Officer in 2022
- a review of the continuation of the 2021 payment for very senior managers and a pay award for the executive team in line with national guidance for 2022
- the appointment and remuneration of the Interim Chief Nursing Officer in 2022
- the appointment and remuneration of the joint Chief Executive Officer in 2022

- extension of the Interim Chief Executive Officer arrangements pending the recruitment of the joint Chief Executive Officer
- the arrangements for the Interim Chief Executive Officer following the arrival of the substantive Chief Executive Officer

David Clayton-Smith
Trust Chair and Remuneration and Terms of Service Committee Chair

Senior Managers Remuneration Policy

Policy on Remunerations of Senior Managers
The trust's senior management remuneration policy requires the use of benchmark information and the trust makes reference to the Foundation Trust Network Annual Salary Comparison Report.

With the exception of Executive Directors, the remuneration of all staff is set nationally in accordance with the NHS Agenda for Change (for non-medical staff) conditions or Pay and Conditions of Service for Doctors and Dentists. Performance Related Pay is not applicable for any trust staff, including Executive Directors. Future policy on senior manager remuneration will remain in line with national terms and conditions.

Senior managers are employed on contracts of service and are substantive employees of the trust. Their contracts are open ended employment contracts which can be terminated by either party with three months' notice, or six months' notice in the case of the Chief Executive. The trust's normal disciplinary policies apply to senior managers, including the sanction of instant dismissal for gross misconduct. The trust's redundancy policy is consistent with NHS redundancy terms for all staff. Total remuneration for each of the Trust's Executive Directors comprises the following elements:

Salary + Pension and Benefits = Total Remuneration

Future Policy Table
The trust's remuneration policy in respect of each of the above is outlined in the tables on the next page.

Salary – (Fees and Salary)

Purpose and Link to Strategy

- Helps to recruit, reward and retain
- Reflects competitive market level, role, skills, experience and individual contribution

Operation

Base salaries are set to provide the appropriate rate of remuneration for the job, taking into account relevant recruitment markets, business sectors and geographical regions.

The Remuneration Committee considers the following parameters when reviewing base salary levels:

- Pay increases for other employees across the trust
- Economic conditions and governance trends
- The individual's performance, skill, and responsibilities through appraisals
- Base Salaries at NHS organisations of similar size are benchmarked against Dorset County Hospital NHS Foundation Trust
- Base Salaries are paid in 12 equal monthly instalments via the regular monthly employee payroll
- The Executive Directors do not receive performance related pay.

Opportunity

The Remuneration Committee ensures levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully but avoid paying more than is necessary though using benchmarking.

National and Local benchmarking data was reviewed by the Remuneration Committee who reviewed the relative position of each Executive.

Performance Conditions

None, although performance of both the Trust and the individual are taken into account when determining whether there is a base salary increase each year. The individual receives an annual appraisal to review performance and set objectives.

Performance Period

Annual Appraisal covers a 12-month period

Pension and Benefits

Purpose and Link to Strategy

- Help to recruit and retain
- NHS Pension scheme arrangements provide a competitive level of retirement income

Operation

Executive Directors are eligible to receive pension and benefits in line with the policy for other employees.

Executive Directors are entitled to join the NHS Pension Scheme, which from April 2015 is a Career Average Revalued Earnings scheme.

Where an individual is a member of a legacy NHS defined benefit pension scheme section (1995 or 2008) and is subsequently appointed to the Board, he or she retain the benefits accrued from these schemes.

The principal features and benefits of the NHS Pension Scheme are set out in a table in the Remuneration Report.

Pension related benefit is the annual increase in pension entitlement accrued during the current financial year from total NHS career service.

Opportunity

The maximum Employers' contribution to NHS Pension Scheme is 20.68% (14.38% paid by the Trust and 6.3% is paid by NHS England) of base salary for all employees including Executive.

Performance Conditions

None

Performance Period

None

Differences in Remuneration for Other Employees

The remuneration approach for Executive Directors is consistent with the UK Corporate Governance Code, NHS Foundation Trust Code of Governance and NHS Policy. This guidance requires that remuneration committees ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully.

The structure of the reward package for the wider employee population is based on the national NHS remuneration frameworks for Medical, Dental and Non-Medical Staff. Non-Medical Staff remuneration is in line with the Agenda for Change Framework, which assesses remuneration in line with the framework for Medical and Dental Staff remuneration. All staff are eligible to join and participate in the NHS Pension Scheme.

Where one or more senior managers are paid more than £150,000, the committee is required to ensure this remuneration is reasonable. The trust has two senior managers paid more than £150,000. The committee is satisfied the salary of the individual is reasonable when compared to the benchmarking provided in setting the senior managers' salaries.

The trust's policy for Equality, Diversity and Inclusion defines the approach that will be taken to promoting and championing a culture of diversity and equality of opportunity, access, dignity, respect, and fairness in the services the trust provides and in employment practices.

The activities and decisions of the Remuneration and Terms of Service Committee are in accordance with the trust's Equality, Diversity, and Inclusion policy.

Policy on Remuneration of Non-Executive Directors

Element	Purpose and link to strategy	Overview
Fees	To provide an inclusive flat rate fee that is competitive with those paid by other NHS organisations of equivalent size and complexity	The remuneration and expenses for the Trust Chairman and Non-Executives are determined by the Council of Governors.
Appointment		The Council of Governors appoint the Non-Executive Directors in accordance with the Trust's constitution which allows them to serve two three-year terms. Any term beyond six years is subject to rigorous review and takes into account the need for progressive refreshing of the board and their independence. This is subject to annual re-appointment approved by the Council of Governors.

Annual Report on Remuneration

The following sections of the Remuneration Report are not subject to audit.

Remuneration and Terms of Service Committee
Remuneration and Terms of Service for the Chief Executive and Executive Directors is considered by a Remuneration and Terms of Service Committee consisting of the Chair and Non-Executive Directors. The Chief Executive Officer and Chief People Officer are invited to attend the committee as and when required.

The committee's attendance record is set out in the table below:

Name	Attendance/Meetings eligible to attend
Mark Addison (Trust Chair) (Chair)	8/8
Sue Atkinson	6/8
Margaret Blankson	6/8
Judy Gillow (Vice Chair until 31/08/2022)	1/3
Eiri Jones (Vice Chair from 01/09/2022)	6/8
Stuart Parsons	8/8
Dhammika Perera (until 31/12/2022)	4/7
Stephen Tilton	4/8
David Underwood	8/8

Senior Managers Service Contracts
The table below contains contract information on the trust's senior managers for the financial year 2022/23.

Name	Title	Current Tenure	Notice Period
Non- Executive Directors			
Mark Addison	Chair	24/03/2019-23/03/24 (extension to second term)	3 months
Judy Gillow	NED, Vice Chair (until 31/08/22)	01/09/19 – 31/08/22 (second term) Left the Trust 31/08/22	3 months
Eiri Jones	NED, Vice Chair (from 01/09/22)	01/01/22 – 31/12/24	3 months
Sue Atkinson	NED	01/09/19 – 31/05/23 (extension to second term)	3 months
Margaret Blankson	NED	01/01/21 – 31/12/23	3 months
Stuart Parsons	NED	01/12/21 – 30/11/24	3 months
Dhammika Perera	Associate NED	01/01/22 – 31/12/22 (left the Trust 31/12/22)	3 months
Stephen Tilton	NED	01/06/20 – 31/05/23	3 months
David Underwood	NED	01/03/23 – 28/02/26 (second term)	3 months
Executive Directors			
Nick Johnson	Interim Chief Executive	01/02/22 to 31/3/23	6 months
	Deputy Chief Executive/Director of Strategy, Transformation and Partnerships	Commenced 01/02/16	6 months
Matthew Bryant	Chief Executive Designate	Commenced designate position from 06/03/22. Commenced as Chief Executive from 1/4/23	6 months
Ruth Gardiner	Interim Chief Information Officer	Commenced interim position 01/09/22	6 months
Paul Goddard	Chief Financial Officer	Commenced 18/06/18 Until 02/10/22[1]	6 months
Emma Hallett	Interim Chief People Officer	Commenced interim position 13/07/22	6 months
Dawn Harvey	Chief People Officer	Commenced 01/04/21 Until 12/07/22[2]	6 months
Chris Hearn	Chief Financial Officer	Commenced 03/10/22	6 months
Jo Howarth	Interim Chief Nursing Officer	Commenced interim position 28/11/22	6 months
Alastair Hutchison	Chief Medical Officer Deputy Chief Executive from 01/11/22	Commenced 02/07/18	6 months
Nicky Lucey	Chief Nursing Officer Deputy Chief Executive until 31/10/22	Commenced 01/09/16 Left the Trust 31/10/22	6 months
Stephen Slough	Chief Information Officer	Commenced 01/06/19	6 months

		Left the Trust 31/08/22	
Anita Thomas	Chief Operating Officer	Commenced 04/10/21	6 months

[1]Left the Trust 08/10/22
[2]Left the Trust 12/08/22

Expenses of Governors and Directors

The expenses incurred or reimbursed by the trust relating to Governors and Directors were:

	2022/23 Number receiving expenses / total	£	2021/22 Number Receiving Expenses / total	£
Governors	**0 / 23**	**0**	**0 / 23**	**0**
Chairman and non-executive directors	**3 / 9**	**856**	**4 / 10**	**1,891**
Executive directors	**5 / 7**	**1,639**	**3 / 8**	**601**
Total expenses		**2,495**		**2,492**

The following sections of the Remuneration Report are subject to audit

The total remuneration of Directors and senior managers for 2022/23 was £936,200 (2021/22: £1,013,600).

Remuneration of Directors - 2022/23	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (neares t £100)	Pension related benefits (Bands of £2,500) £ 000s	**2022/23 Total (Bands of £5,000) £ 000s**
Chairman				
Mark Addison	40 – 45	-	-	**40 – 45**
Non-executive Directors				
David Underwood	10 – 15	-	-	**10 – 15**
Judy Gillow[1]	5 – 10	-	-	**5 – 10**
Prof Sue Atkinson	10 – 15	-	-	**10 – 15**
Stuart Parsons	10 – 15	-	-	**10 – 15**
Stephen Tilton	10 – 15	-	-	**10 – 15**
Margaret Blankson	10 – 15	-	-	**10 – 15**
Dhammika Perera[2]	5 – 10	-	-	**5 – 10**
Eiri Jones	10 – 15	-	-	**10 – 15**
Executive Directors				
Nick Johnson, Interim Chief Executive (formerly Deputy Chief Executive/Director of Strategy, Transformation and Partnerships)[3]	160 –165	-	37.5 – 40	**200 –205**
Matthew Bryant, Chief Executive[4]	5 -10	-	0 – 2.5	**5 –10**
Prof. Alastair Hutchison, Chief Medical Officer	230 –235	-	-	**230 –235**
Nicky Lucey, Chief Nursing Officer[5]	80 –85	-	-	**80 –85**
Paul Goddard, Chief Financial Officer[6]	70 –75	-	-	**70 –75**
Chris Hearn, Chief Financial Officer[7]	55 –60	-	12.5 – 15	**70 –75**
Anita Thomas, Chief Operating Officer	115 –120	-	110 – 112.5	**225 –230**
Dawn Harvey, Chief People Officer[8]	40 –45	-	0 – 2.5	**40 –45**
Emma Hallett, Interim Chief People Officer[9]	65 –70	-	47.5 – 50	**115 –120**
Jo Howarth, Interim Chief Nursing Officer[10]	45 –50	-	-	**45 –50**
Ruth Gardiner, Interim Chief Information Officer[11]	55 –60	-	10 – 12.5	**65 –70**

Matthew Bryant, Chief Executive was appointed on 06/03/2022 as Chief Executive designate and will commence as Chief Executive on 01/04/2023.

Stephen Slough, Chief Information Officer was appointed on 01/06/2019 until 31/08/2022 and is paid by NHS Dorset CCG and details of remuneration and expenses are included within their Annual Report.

Professor Alastair Hutchison remuneration includes payment of clinical sessions.

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

Remuneration of Directors - 2021/22	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (neares t £100)	Pension related benefits (Bands of £2,500) £ 000s	**2021/22 Total (Bands of £5,000) £ 000s**
Chairman				
Mark Addison	40 – 45	-	-	**40 – 45**
Non-executive Directors				
David Underwood	10 – 15	-	-	**10 – 15**
Judy Gillow	10 – 15	-	-	**10 – 15**
Prof Sue Atkinson	10 – 15	-	-	**10 – 15**
Stuart Parsons[12]	0 – 5	-	-	**0 – 5**
Ian Metcalfe[13]	10 – 15	-	-	**10 – 15**
Stephen Tilton	10 – 15	-	-	**10 – 15**
Margaret Blankson	10 – 15	-	-	**10 – 15**
Dhammika Perera[14]	0 – 5	-	-	**0 – 5**
Eiri Jones[15]	0 – 5	-	-	**0 – 5**
Executive Directors				
Patricia Miller, Chief Executive[16]	145 –150	-	60 – 62.5	**205 –210**
Prof. Alastair Hutchison, Chief Medical Officer	230 –235	-	0 – 2.5	**230 –235**
Nicky Lucey, Chief Nursing Officer	125 –130	-	47.5 – 50	**175 –180**
Paul Goddard, Chief Financial Officer	130 –135	-	47.5 – 50	**180 –185**
Anita Thomas, Chief Operating Officer[17]	50 –55	-	82.5 – 85	**135 –140**
Inese Robotham, Chief Operating Officer[18]	70 –75	-	92.5 – 95	**165 –170**
Dawn Harvey, Chief People Officer[19]	105 –110	-	45 – 47.5	**150 –155**
Nick Johnson, Interim Chief Executive (formerly Deputy Chief Executive/Director of Strategy, Transformation and Partnerships)[20]	135 –140	-	35 – 37.5	**170 –175**

1 – Until on 31 August 2022
2 – Until on 31 December 2022
3 – Until Interim on 31 March 2023
4 – Appointed on 06/03/2022 as Chief Executive designate and will commence in post 01/04/2023
5 – Until on 31 October 2022
6 – Until on 02 October 2022
7 – Appointed on 03 October 2022
8 – Until on 12 July 2022
9 – Appointed Interim on 13 July 2022
10 – Appointed Interim on 28 November 2022
11 – Appointed Interim on 01 September 2022
12 – Appointed on 01 December 2021
13 – Until on 30 November 2021
14 – Appointed on 01 January 2022
15 – Appointed on 01 January 2022
16 – Until on 31 January 2022
17 – Appointed on 04 October 2021
18 – Until on 01 October 2021
19 – Appointed on 01 April 2021
20 – Appointed interim on 01 February 2022

During 2022/23, the NHS Foundation Trust Annual Reporting Manual was updated to include further guidance on the calculation of total pension related benefits where the individual has not been in role for the full year. The Trust have applied this guidance in the 2022/23 remuneration report with no restatement of the prior year comparatives.

There have been no annual performance related or long term performance related bonuses paid during the year 2022/23 or 2021/22.

There have been no payments for loss of office during 2022/23 or 2021/22.

There have been no payments to past senior managers during 2022/23 or 2021/22.

Fair Pay Multiple Statement

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their trust against the 25th percentile, median(50th) and 75th percentile of remuneration of the Trust's workforce.

The banded remuneration of the highest-paid director in the trust in the financial year 2022-23 was £235,001 – £240,000 (2021-22, £230,001 - £235,000). There was no change between years.

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 £270,001 - £275,000 to £10,001-£15,000 (2021-22 £250,001 - £255,000 to £5,001 - £10,000). 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 11.0%. In 2022/23, two (2021/22: 1) employees received remuneration in excess of the highest-paid director. Remuneration was in the banding range of £270,000 to £275,000 (2021/22: £250,000 to £255,000).

The remuneration of the employee at the 25th percentile, median(50th) and 75th percentile is set out in the table below. The pay ratio in the table below 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 trust's workforce.

	25th Percentile		**Median**		**75th Percentile**	
Year	**22/23**	22/21	**22/23**	22/21	**22/23**	22/21
Salary Component of pay	**£22,808.43**	£19,918.00	**£28,945.64**	£25,655.00	**£40,588.00**	£39,027.00
Salary Component: pay ratio for highest paid director	**10.16**	11.76	**8.01**	9.13	**5.71**	6.00
Total Pay & Benefits excluding Pension benefits	**£23,169.76**	£20,427.69	**£30,639.00**	£26,982.48	**£42,972.62**	£39,305.48
Pay and benefits excluding pension: pay ratio for highest paid director	**10.21**	11.17	**7.72**	8.46	**5.51**	5.81

Pension Arrangements

All Executive Directors of the trust are eligible to join the NHS Pension Scheme. The Trust Chair and non-executive directors are not eligible to join the scheme and are not accruing any retirement benefits in respect of their services to the trust. The trust did not make any contributions to any other pension arrangements for directors and senior managers during the year.

The principal features and benefits of the NHS Pension Scheme are set out in the table below:

	1995 section	2008 section	2015 section
Member contributions	5% - 13.3% depending on rate of pensionable pay		
Pension	A pension worth 1/80th of final year's pensionable pay per year of membership	A pension worth 1/60th of reckonable pay per year of membership	A pension worth 1/54th of Career Average Re-valued Earnings of pensionable pay per year of membership
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum	Option to exchange part of pension for a lump sum up to 25% of capital value
Normal retirement age	60	65	Equal to an individuals' State Pension Age or age 65 if that is later
Death in membership lump sum	2 x final years' pensionable pay (actual pensionable pay for part-time workers)	2 x reckonable pay (actual reckonable pay for part-time workers)	The higher of (2 x the relevant earnings in the last 12 months of pensionable service) or (2 x the revalued pensionable earnings for the Scheme year up to 10 years earlier with the highest revalued pensionable earnings
Pensionable pay	Normal pay and certain regular allowances		

The tables on the next page set out details of the retirement benefits that Executive Directors have accrued as members of the NHS Pension Scheme. All the Executive Directors that are accruing benefits under these schemes with their normal retirement age in line with the table above.

	Real Increase in pension at retirement (bands of £2,500) £000	Real Increase in lump sum at retirement (bands of £2,500) £000	Total accrued pension at retirement at 31/03/2023 (bands of £5,000) £000	Related lump sum at retirement at 31/03/2023 (bands of £5,000) £000
Nick Johnson, Interim Chief Executive (formerly Deputy Chief Executive/Director of Strategy, Transformation and Partnerships)	2.5 – 5.0	0 - 2.5	10 – 15	0 – 5
Matthew Bryant, Chief Executive	0 – 2.5	0 - 2.5	50 – 55	95– 100
Dawn Harvey, Chief People Officer	0 – 2.5	0 - 2.5	15 – 20	0 – 5
Chris Hearn, Chief Financial Officer	0 – 2.5	0 - 2.5	10 – 15	0 – 5
Paul Goddard, Chief Financial Officer	0 – 2.5	0 - 2.5	50 – 55	105 – 110
Nicky Lucey, Chief Nursing Officer	0 – 2.5	0 - 2.5	60 – 65	150 – 155
Anita Thomas, Chief Operating Officer	5.0 – 7.5	10.0 – 12.5	35 – 40	65 – 70
Emma Hallett, Interim Chief People Officer	2.5 – 5.0	2.5 – 5.0	25 – 30	45 – 50
Ruth Gardiner, Interim Chief Information Officer	0 – 2.5	0 – 2.5	10 – 15	10 – 15

	Cash Equivalent Transfer Value at 01/04/2022 £000	Cash Equivalent Transfer Value at 31/03/2023 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000s
Nick Johnson, Interim Chief Executive (formerly Deputy Chief Executive/Director of Strategy, Transformation and Partnerships)	71	105	10	-
Matthew Bryant, Chief Executive	819	875	-	-
Dawn Harvey, Chief People Officer	195	211	-	-
Chris Hearn, Chief Financial Officer	100	125	3	-
Paul Goddard, Chief Financial Officer	1203	-	-	-
Nicky Lucey, Chief Nursing Officer	1178	1236	1	-
Anita Thomas, Chief Operating Officer	483	607	93	-
Emma Hallett, Interim Chief People Officer	312	385	37	-
Ruth Gardiner, Interim Chief Information Officer	249	288	11	-

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.

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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. CETVs are not disclosed for scheme members who have reached their normal retirement date.

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 the other pension details, include the value of any pension benefits in another scheme or arrangement that 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.

The real increase in CETV represents 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 year.

Matthew Bryant
Chief Executive
14 June 2023

Staff Report

People Strategy

As a major local employer of 4,000 staff who fulfil a wide range of professional and multidisciplinary roles, the trust recognises that our workforce defines who we are and how we are viewed by the patients and communities we serve. We strive to ensure our staff are highly skilled and well supported in their working environment, in order that they are able to deliver the highest standards of compassionate and safe care. Investment in the recruitment, education, training, support, and well-being of our staff remains at the heart of what we do at DCH.

The intention of the People pillar of the Trust Strategy is to truly value our staff. Our people are our most important asset, and we want everyone to feel valued, welcomed, respected, that they belong, and they matter. We recognise the link between high levels of staff satisfaction, an inclusive culture and improving patient experience, outcomes and reducing health inequalities. The trust's Vision is also about being at the heart of improving the wellbeing of our communities and staff are part of that local community. The People Plan aligns to our Social Value Pledge to be a model employer, contributing to the local economy through employment opportunities and principles of good work.

The People Plan also contributes to DCH's commitment to reducing its impact on the environment and supporting better health and the wellbeing of our local communities. DCH's People Plan aligns to the NHS People Plan and embeds the elements of the NHS People Promise to support delivery of the NHS Long Term Plan.

High level principles for People are defined within the DCH Trust Strategy as:

- We will look after and invest in our staff, developing our workforce to support outstanding care and equity of access and outcomes.
- We will create an environment where everyone feels they belong, they matter, and their voice is heard.
- We will improve safety and the quality of care by creating a culture of openness, innovation and learning where staff feel safe themselves.
- We will continue to create collaborative and multidisciplinary professional team working to maximise skills, knowledge, and respect.

Recruitment

The past 12 months have seen an increase in the pressures on recruitment. The trust has implemented several methods to further increase successful recruitment, whilst adjusting to the impact of the pandemic. The People Plan ambitions are driving a review of recruitment and selection practices with a focus on inclusive recruitment to improve the candidate experience.

International nurse recruitment has been the focus to fill clinical vacancies through an external agency recruiting 85 nurses during 2022 across a variety of departments with further recruitment planned for 2023. This complies with the national drive to recruit additional nurses to the NHS.

The trust has experienced further challenges with recruiting middle grade doctors and has continued to see an increase in internationally trained doctors joining the trust. Work continues to support key pipelines with international recruitment.

Recruitment of Healthcare Support Workers was also a high priority again during 2022 and the trust received additional funding from NHS England to support this work.

Recruitment has continued successfully with newly qualified staff joining the trust Preceptorship Programme which supports clinical staff in their first year at work. As part of these projects, we have focused on improving our recruitment events, moving to a true open day format, with ability to apply and interview on the day. This has proved successful and has received positive feedback from attendees. Additionally, recruitment has supported the education teams in arranging two scholarship programmes, to support young people, and those who have been out of care into work. From these programmes we have recruited 11 Healthcare Support Workers into substantive posts.

Working in collaboration is a key pillar for the People Plan and the trust has continued to work closely with other NHS trust colleagues in the Dorset Integrated Care System to enhance recruitment and selection activity and promote Dorset as a place to live and work. The trust has also piloted paid recruitment initiatives to boost attraction from outside of Dorset.

Employment Policies
The trust has more than 50 employment policies in place which have been designed to provide guidance to our staff and ensure that we meet our legal obligations to them. The effectiveness of each policy is reviewed in conjunction with staff side representatives. During 2022/23, 23 of our employment policies were reviewed to ensure effectiveness and adherence to legal requirements and recommendations made by professional bodies such as the British Medical Association and NHS Employers.

The trust is dedicated to developing and sustaining a restorative just and learning culture. Following the success of implementing our re-written Disciplinary Policy we are now undertaking the next steps in this journey.

Appraisal Process
Although staffing level pressures continued to hamper appraisal completion rates there has been a small improvement during 2022/23. During the summer a new ‘appraisal-on-a-page’ process was piloted with a several teams and following positive feedback full adoption is now underway. The new simplified form and the launch of a new ‘Meaningful Appraisals’ workshop in September 2022 helped to ensure our managers have the confidence to hold effective and on-going wellbeing, career development and performance conversations with every individual in their team.

Staff Gender Analysis (as at 31 March 2022)
A full report on the trust’s gender pay gap statistics was provided to the People and Culture Committee in March 2023, and formal submission made via the government portal the same month. The current DCH Gender Pay Gap Report is available to view here: Gender-Pay-Gap-Report-2022.pdf (dchft.nhs.uk)

The gender pay gap calculation is based on the average hourly rate paid to men and women. This calculation makes use of two types of averages: the mean is the average hourly rate, and the median is the mid-point hourly rate for men and for women in the workforce. The mean figure is the figure most commonly used.

Across our entire workforce our mean gender pay gap is 25%. This means that the average hourly pay rate for men is 25% higher than for women. This is a 1% change on the pay gap of 26% recorded in 2021. Our overall median gender pay gap is 8%. This means that the mid-point hourly rate for men is 8% higher than for women. This is a change of 1% since 2021 where the overall median gender pay gap was 9%. Our gender pay gap results (based on the hourly pay rates our employees received on 31 March 2022) are as follows:

- Our mean gender pay gap is 25%
- Our median gender pay gap is 8%
- Our mean bonus gender pay gap is 22%
- Our median bonus gender pay gap is 67%
- Our proportion of males within whole Trust receiving a bonus payment is 5%
- Our proportion of females within whole Trust receiving a bonus payment is 0.40%
- Our proportion of eligible males receiving a bonus payment is 36%
- Our proportion of eligible females receiving a bonus payment is 26%

For Gender Pay Gap calculations, our bonus payments relate to Clinical Excellence Awards only. Traditionally, these award Consultants who perform 'over and above' the standard expected of their role. There are 12 levels of award, awarded locally and nationally. However, in the absence of a national agreement and for the last three years of award rounds, the funds have been divided equally between eligible consultants.

Male employees make up 24% of the workforce, which means the 33% of males in the highest paid quartile is a disproportionate number. However, female employees occupy 67% of the highest paid quartile. This represents a higher proportion of females than in the general population of England and Wales, which according to national statistics is 51%.

At the trust, whilst we have a higher proportion of female staff in our workforce, we also have a significant proportion of our male workforce now at the point in their careers where they are senior medical staff and therefore are higher up the pay grades than some more junior members of staff.

Continued work underpinned by our People Plan and our goal to be recognised as a highly attractive place to develop a long term clinical and non-clinical career aligns with are continued work to address the barriers for female employees.

Staff Sickness – Finance provides data

The staff sickness information contained in the table below has been calculated and supplied by the Department of Health. The information has been calculated on a calendar year basis.

Figures converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2022	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
2,925	32,636	1,067,610	52,943	11.2

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse
Period covered: January to December 2022

Data items: ESR does not hold details of the planned working/non-working days for employees, so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Turnover
The trust's turnover rate for 01 April 2022 – 31 March 2023 was 11.6%. This remains marginally within the trust's acceptable range of 8% - 12%. A trust recruitment and retention strategy is being launched shortly which aligns to the People pillar of our Trust Strategy.
The turnover by staff group is detailed in the table below.

The Additional Professional Scientific and Technical staff group include Pharmacy which has and continues to experience significant recruitment challenges due to a shortage of qualified pharmacists within the profession nationally. Several local initiatives have been implemented to support the recruitment and retention of staff within this service.

Turnover data is reported monthly to the trust's People and Culture Committee.

Staff Group	LTR Headcount %	LTR FTE %
Add Prof Scientific and Technic	34.55%	38.32%
Additional Clinical Services	10.34%	10.31%
Administrative and Clerical	14.35%	14.09%
Allied Health Professionals	12.53%	11.85%
Estates and Ancillary	12.28%	11.37%
Healthcare Scientists	13.50%	13.61%
Medical and Dental	10.15%	10.44%
Nursing and Midwifery Registered	9.09%	8.44%
Students	0.00%	0.00%

Equality Diversity and Inclusion
DCH continues to have a firm commitment to equality, diversity and inclusion (ED&I) and progress on ED&I activity is monitored by the trust's ED&I Steering Group (EDISG). The trust's ED&I Strategy has recently been refreshed to further enhance the People Plan's objectives of developing an Inclusive Culture for staff.

Whilst drivers include legal requirements (Equality Act 2010, Public Sector Equality Duty, Gender Pay Gap reporting), national standards (Workforce Race and Disability Equality Standards - WRES & WDES) and contractual obligations (Equality Delivery System), our vision for ED&I at DCH has moved beyond compliance to mainstreaming ED&I so it becomes the 'golden thread' running through everything we do.

Recent progress included launching a Reciprocal Mentoring Programme between senior members of the trust including the Chief Executive and the Chair and members of the Ethnic Diversity Staff Network. The staff support networks continue to gather momentum and act as critical friends to the trust, in terms of reviewing policies and procedures. The Without Limits Network (for staff with disabilities and/or caring responsibilities) facilitated the introduction of 'Health Passports' for staff. The Pride (LGBTQI+) Network have also been instrumental in the adoption of non-gender toilets in parts of the trust.

Programmes to embed inclusive thinking and shifts in practice have included: Gender Awareness, how to support staff with disabilities in the workplace, Intercultural Communication sessions around simplifying spoken English and sessions for overseas staff on how to increase confidence when communicating in English.

The trust continues to provide onboarding support for Overseas Nurses, as part of the 'settling in' process. The Overseas Staff Network have been supported in organising social and welcome events for new staff.

Our WRES data shows positive trajectories when assessing the percentage of staff who experienced discrimination at work from a manager or colleague. Our WDES data also showed reductions in the percentage of staff experiencing harassment, bullying or abuse from managers and more staff reported reporting harassment if it occurred. Whilst we celebrate positive trajectories, we recognise there is still more work to do to improve staff experiences across the trust.

Consultation, Partnership Working and Staff Engagement

We have several established mechanisms of communicating information across the trust, including a weekly email bulletin, a weekly email briefing from the Chief Executive and monthly team briefing sessions. The trust also communicates stories of interest via social and local media.

Our established consulting and negotiating bodies, the Partnership Forum (for non-medical staff) and Local Negotiating Committee (for medical staff), continue to make an important contribution to promoting effective staff engagement and partnership working and in ensuring these are underpinned by a commitment to:

- promoting the success of the organisation.
- recognising the respective parties' legitimate interests.
- operating in an honest and transparent manner; focusing on the quality of working life and its benefit to the quality of patient care.
- maintaining, as far as possible, employment security.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	FTE employee number
7	2868

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	7
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£3,664
Provide the total pay bill	£187,612,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.002%

Paid trade union activities

Time spent on paid TU activities as a percentage of total paid facility time hours calculated as:	
(total hours spent on paid TU activities by TU representatives during the relevant period ÷ total paid facility time hours) x 100	31%

Workforce Planning

Workforce planning supports the delivery of operational priorities over the short, medium, and longer term. The trust faces a range of workforce and resourcing challenges and our People Plan aligns with our trust strategy providing a framework to help to tackle challenges locally and in collaboration with our Integrated Care Board, regional and national partners.

The trust's Workforce Business Partners assist leaders in revising and developing workforce plans for each area to inform our domestic and international recruitment and education plans. Work continues to consider new roles and ways of working to support different operating models. This includes seeking opportunities within financial constraints to look at new ways of working e.g., introducing Physician Associates, or looking at the allocation of tasks and use of administrative support or creating new technician roles, career grades and new apprenticeships in fields such as Dietetics.

Nursing Apprenticeship pipelines continue through the system. The Registered Nurse Degree Apprenticeship (RNDA) and Trainee Nurse Associates (TNA) programmes and other pan Dorset system recruitment approaches continue e.g., Occupational Therapy and Physiotherapy.

Workforce plans and pipelines continue to be refined to support delivery of a new Emergency Department and Critical Care Unit and to support the delivery of other key projects around South Walks House and Outpatient Services, the Pathway Home Hub and discharge facilities and other schemes to support admission avoidance.

Data helps to support evidenced based workforce planning and the trust hosts the Dorset Information and Intelligence Service (DiiS) team which support the automatic feed of trust workforce data into system dashboards.

Health and Wellbeing

Evidenced-based approaches to health and wellbeing informed the development of a 'wellbeing continuum' which has impacted on the way in which staff are signposted to further support according to need. The triage process, developed in hand with our Employee Assistance Programme provider Vivup, means that staff have a single contact number when they are experiencing varying levels of need. Staff can be directed to either 'in the moment support', 'telephone counselling' or if needed 'onsite counselling'. Additionally, staff are signposted to self-help learning through clinically approved workbooks and podcasts.

The trust has developed a network of trust-wide Health and Wellbeing Coaches (HWCs) who help signpost staff to appropriate support and to offer health and wellbeing conversations. All

staff now have access to a trauma response across the trust. TRiM is a peer delivered assessment tool, used to determine by what degree, if any, a colleague has been affected by a potentially traumatic incident, and to ascertain whether they would benefit from further support.

Development of financial support for staff has been a priority due to the cost-of-living crisis with a new relationship with the Money and Pensions service, a new Credit Union relationship with Serve and Protect, the ability for staff to be referred confidentially to foodbanks.

Countering Fraud and Corruption
The trust's Counter Fraud Policy sets out the standards of honesty and propriety expected of staff and encourages employees to report any suspicious activity that might indicate fraud or corruption promptly.

The trust's counter fraud service continues to be provided by TIAA who report directly to the Chief Financial Officer and also report regularly to the Risk and Audit Committee throughout the year. Raising awareness of the need to counter fraud and corruption is taken seriously by the trust and is communicated via a variety of methods, including leaflets, counter fraud newsletters and notices, staff bulletins, staff awareness presentations, induction training and the trust's intranet. TIAA undertake a number of proactive work fraud check streams throughout the year to support the trust's commitment to this area.

The trust's Freedom to Speak Up Guardian (FTSUG) is supported by a network of Freedom to Speak Up Champions. The FTSUG has a regular meeting with the Chief People Officer and Senior Independent Officer, to discuss and raise any concerns. A bi-annual Freedom to Speak Up Report is submitted to the People and Culture committee.

The trust's Senior Independent Director (SID) and Whistleblowing Lead is one of our Non-Executive Board members. This role is in place to ensure there is a direct point of contact on the Board, and to provide Board level visibility of any potential issues.

What our Staff Say

Staff experience and engagement
The trust recognises the important link between staff engagement and improved patient care. Understanding how staff experience their work environment is critical to the success of any organisation and the annual NHS National Staff Survey provides an important insight into how our staff experience work at DCH.

This 'soft' data is one way our people can communicate opinions and views about working at the Trust. It provides an anonymous forum for staff to give their views on issues which they may not feel comfortable or safe to air via other routes. As the trust undertakes focused interventions on culture, inclusion, management and leadership, we will expect to see the impact of these in the responses our people give.

The most critical part of this process is not just about reviewing the results but being clear about where we want to be as an organisation and what needs to be done differently too.

NHS Staff Survey

Since 2021/22, the questions in the NHS Staff Survey have been aligned to the People Promise and are made up of seven People Promise elements and two themes (Staff Engagement and Morale). This means that for many questions, the trust only has comparison data over two years rather than five years.

For 2022/23, a response rate of 43.3% was achieved (1404 employees). The median response rate for our benchmarking group (Acute and Acute and Community Trusts) was 44%. Whilst it is disappointing that the response rate has declined this year, the trust understands that staff engagement was affected by the ongoing pressures and stressors of working in the NHS. We continue to strive for improved response rates so that the results can be more meaningful.

The staff survey results are used alongside all other sources of staff feedback, including Freedom to Speak Up data and the experiences of staff collated via departmental visits. Our monthly dashboard data and quarterly Pulse Surveys are combined with the National Staff Survey data to allow deeper dives and increased ownership of the results at local level.

2022/23 results

Scores for each element/theme together with that of the survey benchmarking group (acute trusts) are presented below.

People Promise Element/Theme	2021/22 Trust	2022/23 Trust	2022/23 Benchmark
PP1: We are compassionate & inclusive	**7.5**	**7.3**	**7.2**
PP2: We are recognised & rewarded	**6.1**	**5.9**	**5.7**
PP3: We each have a voice that counts	**6.9**	**6.8**	**6.6**
PP4: We are safe & healthy	**6.0**	**5.9**	**5.9**
PP5: We are always learning	**5.6**	**5.5**	**5.4**
PP6: We work flexibly	**6.3**	**6.2**	**6.0**
PP7: We are a team	**6.8**	**6.8**	**6.6**
Theme: **Staff engagement**	**7.1**	**6.9**	**6.8**
Theme: **Morale**	**5.9**	**5.8**	**5.7**

There has been a downward trend in all but one of the nine People Promise elements/themes of the survey ('We are a team' has remained static). Our scores remain above the NHS average in eight of the nine elements/themes and equal to the national average in one element ('We are safe and healthy').

The Employee Engagement index provides a score out of 10. The DCH score remained static at 7.2 during 2018-20 but declined in 2021 to 7.1 and has further declined this year to 6.9. The theme of 'Morale' has followed a similar pattern, with a decline since 2020 from 6.2 to 5.8. The trust continues to remain above the comparator average for both themes.

Celebrating Success

Every day, individuals and teams within the trust go above and beyond the call of duty; and throughout 2022 this was again even more evident. During the last week of September and the first week of October we held Thank You Fortnight; an opportunity to say Thank You to all colleagues for their continued commitment and hard work at DCH. All staff were presented with a 'love to shop' voucher, and several thank you initiatives were running during this time. Our staff restaurant offered free tea and coffee for all staff and free breakfast for night staff following their shifts. Our restaurant also provided free meals for children of staff members each day during "Children's Teatime", Many staff took advantage of the offer of a free ice cream when a local ice cream van visited various locations across the site.

During the first week of Thank you Fortnight we held our annual Going the Extra Mile (GEM) Awards, this event has become a well-established means of recognising and honouring staff and volunteers for their service and outstanding contribution to the care of patients and running of the hospital. Comprising 11 categories, shortlisted individuals and teams were invited to a formal dinner event with winners announced on the night by members of the executive team.

During the second week of Thank you fortnight our Long Service Award ceremony took place to recognise those staff with 25 years of NHS service. Staff who reached this milestone were invited to the ceremony which was followed by afternoon tea.

We continue to run our Hospital Heroes Scheme. To help honour our Hospital Heroes, we encourage patients, carers, family member and colleagues to thank both teams and individual members of staff who have provided outstanding care to patients.

Leadership Development

The new Management Matters Programme (MMP) was launched in the autumn of 2022. Designed to support managers by explicitly sharing our expectations and offering a range workshops and resources to build skills and confidence, the programme adopts a blended approach, offering face-to-face workshops, virtual workshops, e-learning and on-line resources.

A schedule of workshops has been arranged for 2023 including Bias and Interview Skills, Meaningful Appraisals, Sickness Absence Management, Coaching Skills, Career Development Conversations, Safe and Effective Wellbeing Conversations, Workforce Planning Essentials and Dignity and Respect. Additional workshops are in development,

such as Difficult Conversations. Some of these workshops are brand new, whilst others build upon previous sessions.

During 2022 the NHS Leadership Academy (national and regional) continued to offer a variety of virtual events and new eLearning packages, focused upon developing leadership skills, post-pandemic recovery, as well as health and wellbeing and bitesize coaching sessions for frontline leaders.

The Dorset System's shared Mye-coach platform has continued to be available, allowing individuals at all levels across the trust to access coaching, with 14 coaching relationships completed either face-to-face, virtually or in combination of the two. This represents a decrease on the previous year. In the autumn, we also launched an additional coaching offer for members of the Senior Leadership Group, working with a range of external executive coaches. Six relationships are currently underway with positive feedback.

The trust's Inclusive Leadership Programme (ILP) was paused following the completion of the second four cohorts in July 2022. The facilitators and participants continued to face last-minute changes to dates and virtual delivery rather than face-to-face events given the ongoing covid situation, but final evaluations remained generally positive. Participants were invited to take part in the Reciprocal Mentoring Scheme, which was launched in the October 2022, as part of our plans to maintain momentum and embed this inclusive approach as business as usual. Eight relationships are underway to be evaluated in spring 2023, with the aim of establishing a further cohort. In addition, preliminary discussions are underway with Dorset Healthcare NHS Foundation Trust to explore the potential to collaborate on future rollouts of the ILP.

Organisational Development
The organisational development work portfolio areas are wide reaching and have significant impact for the organisation: Equality, Diversity and Inclusion, Health and Wellbeing, Leadership and Management Development and Freedom to Speak Up.
Significant groundwork was laid during 2022 in developing a 'speaking up culture'. The appointment of a new and more senior Freedom To Speak Up Guardian (FTSUG) from January 2023 is starting to build a more mature speaking out culture. Whilst remaining impartial and objective, the FTSUG will work collaboratively across the trust to help us drive continuous improvement in this area.

Key work programmes during 2022/23 included the Inclusive Leadership (IL) Programme, the launch of the Management Matters Programme and the continuation of the Dignity and Respect at Work Programme. These programmes of work are central to driving culture change and improving the staff experience at the trust.

Throughout the year the Organisational Development team has supported individuals and teams through coaching, mediation, facilitated conversations, team development sessions and key work programmes. A consultancy approach is taken to team development requests, and this has led to successful tailored interventions involving a mix of bespoke sessions and existing core resources.

Education, Learning and Development
The Education, Learning and Development function are committed to supporting the whole workforce to improve their knowledge, skills, and capabilities regardless of role. The trust strategy and clinical and people plans outline our commitment to education and training as an organisation, investing and looking after our staff and developing a multi-professional workforce, to deliver and contribute to safe high quality, evidenced based patient care.

We are constantly looking at new and innovative ways of delivering education and have a purpose-built education centre, a clinical skills simulation suite and a well-resourced library. We deliver education and training, using a blended approach of face to face, e-learning, and simulation. We are committed to working with partners within the Dorset Integrated Care System to streamline, innovate and improve access to education, learning and development for all staff, promoting a culture of inclusion and fairness.

Corporate and Mandatory training
As part of our commitment to improve our onboarding processes, the trust runs three corporate induction programmes every month. During 2022 we welcomed 816 new members of staff to the organisation.

The trust's mandatory training programme is aligned to the UK Core Skills Training Framework for all core statutory and mandatory training and works in collaboration with our partners in Dorset to ensure mandatory training is easily transferable across organisations. Our overall compliance with mandatory training requirements was maintained at the 90% target throughout 2022. We regularly review new statutory and mandatory training, to keep our patients and staff safe from harm and have implemented a further two subjects this year: patient safety and end of life care. The trust will also be launching the new Oliver McGowan Autism and Learning Disability Awareness training in early 2023.

Library and Knowledge services
Health Education England's priorities are to enable all NHS staff and learners to benefit equally from high-quality knowledge services and to optimise the expertise of knowledge of library teams to inform decision making.

The team now includes a Library and Knowledge Specialist who leads on health literacy which is a key element of the trust's Health Inequalities strategic aim. In terms of mobilising evidence and knowledge, the team have run events including a Living Library, a randomised coffee trial and a knowledge café. In addition, library and research staff have run a series of "Lunch and Learn" sessions about the research process.

Health Education England released the results of the first Library Quality Improvement and Outcomes Assessment. The report confirmed that, in line with 81% of NHS organisations, there "is access to a developing knowledge and library service (level 1)". The next full assessment will be in 2026.

Medical Education
The Medical Education faculty continues to remain committed to the education and training of the medical workforce. The trust welcomed and inducted, 148 new doctors in training and supported 54 Medical Students and 27 Trainee Physician Associates to undertake clinical

placements. Additionally, the trust provided seven international doctors with clinical attachments resulting in two of these being offered permanent positions. We have appointed our first two Physicians Associates, as we look at different ways of working to meet the health needs of our local population.

To meet the demands of our future workforce the trust has increased the number of doctors in training posts, and placement opportunities for medical students and increased the number of supervisors for students to ensure robust assessment within the clinical environment. The trust continues to strengthen the onboarding process for our international medical graduates, supporting their development needs and ensuring they are enrolled onto the Health Education England Deanery induction program for doctors new to the NHS and the UK.

The trust has invested, and continues to invest, in our locally employed doctors (LEDs) and Specialty and Associate Specialty doctors (SAS) developing long term career plans, including leadership, continuing professional development and access to quality supervision and appraisal. This investment ensures parity of supervision in line with that of doctors in training.

DCH was the first trust in the UK to offer an introduction to medicine program in conjunction with the Duke of Edinburgh Gold award scheme. The scheme delivered a 5-day residential program to 29 young people aged 16-17 and was a resounding success with 83% of the attendees wishing to undertake a career in medicine. We plan to continue to run the program in 2023.

Practice Education

Preceptorship
The Preceptorship Programme is a 12-month development program for all non-medical newly qualified health care professionals. The trust delivered six programs to 101 newly qualified staff during 2022/23. The flexible programme included a six-month leadership development program at the end of year one.

International Nurse education
The trust remains committed to investing in recruitment of international nurses to help achieve reductions in nursing workforce gaps. We have welcomed and employed a further 41 international nurses and supported them with their education through Nursing and Midwifery Council (NMC) OSCE (Objective Structured Clinical Examination) preparation sessions, mock exams, and supervision in clinical practice. The trust's pastoral support offering has been strengthened and we have increased the number of Practice Educators to provide this support.

Non-Medical Undergraduate Education
Despite the effects of the pandemic on clinical placement capacity over the last few years, the trust increased student placement numbers from 90 to 119 during 2022/23 for Nursing and Midwifery and from 54 to 68 for Allied Health Professional placements. This has been as a result of further extending the Collaborative Learning in Practice model into additional areas, increasing the number of non-ward-based placements, and increasing supervisor and

assessor numbers to meet demand. The trust continues to see an increase in the uptake of Apprenticeships leading to professional registration and is able to offer degree level Apprenticeships in Nursing, Nursing Associate, Radiography, Physiotherapy, Occupational Therapy, Dietetics and Healthcare Science. This ensures a future pipeline into the workforce over the next five years.

The Care Certificate
The Care Certificate is a nationally recognised development program for all new Health Care Support Workers. The trust continues to attain excellent rates of achievement and on completion staff are able to progress to level 2 or level 3 health care apprenticeship if they wish to continue their education. The trust also offers an abridged version for existing staff who wish to progress their healthcare education. The programme is the foundation for all new Health Care Support Workers to continue their career in the NHS and has resulted in increasing numbers of staff progressing to professional careers in nursing, midwifery, therapies, and medicine.

Access to Healthcare Careers
In support of our commitment to achieving our social value pledge, the trust employs a designated team with a focus on Apprenticeships and Widening Participation. The trust is actively committed to helping people within the local community, addressing inequalities in health, and supporting those who are at risk of long-term unemployment to actively gain employment. We are enthusiastically promoting the organisation as an anchor institution and engaging with our local schools, colleges, and local council to promote roles and careers within the NHS.

Apprenticeships
In 2022 94 staff enrolled onto apprenticeship courses across the trust in a variety of subject areas, ranging from entry level 2 (GCSE equivalency) to level 7 (Master's degree equivalency). This is an increase of 28% from the previous year. DCH is currently supporting 176 staff to complete their Apprenticeship programmes.

Widening Participation
We have developed a number of widening participation initiatives over the last year including:

Kickstart Scheme
In support of our social value pledge, the trust was able to offer 35 kickstart placements for local young people at risk of long-term unemployment, across the trust in clinical and non-clinical roles. We had a dedicated Kickstart Co-ordinator to support managers and Kickstart employees to gain employability skills throughout their six-month placements. 32 young people completed their placements and 29 have been successful in gaining employment in the organisation.

Vocational scholarships
This is a new three-week program, introducing people to support worker roles through training and supervision and giving them employability skills, with a guaranteed interview at the end of the program. The trust was successful in appointing 11 young people from this

program into support worker roles who had just completed year 13 with further programs running in 2023.

Supported Internships
The trust was pleased to have been able to relaunch supported internship placements with Weymouth College this year. This program provides work placement for young people who have a physical, mental or learning difficulty and who may otherwise would not be able to enter the world of work. We the trust offered four placements lasting 26 weeks to young people during 2022/23 and plans to expand the offer over the coming years.

Volunteering
The trust's Volunteer Service has had another busy year with a key focus on progressing plans to expand and develop our Volunteer Team, so that we are in a stronger position to support the hospital with what is needed and when it is needed most. Demand for the service has seen the team in firefighting mode, but significant progress was made over the year to move projects forward and further develop the service and volunteer roles.

The Voluntary Services Team
The Voluntary Services team is a team of four, supporting a team of approximately 200 direct and indirect volunteers and managing multiple workstreams. This has limited capacity in what can be achieved, although the team continues to be flexible and reprioritise to meet the needs of the trust. The team continues to strive to do their utmost best and is committed to providing the best volunteer service and volunteer experience.

Volunteer Numbers
Figure One below shows the total number of active volunteers we have in the trust in each role.

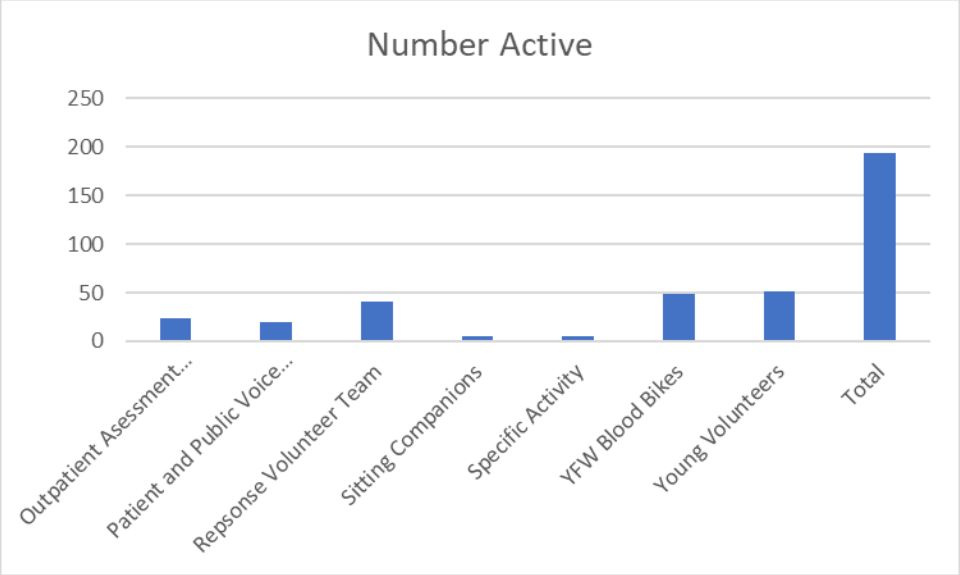


Figure 1 – Active Volunteer Role Numbers

At the end of March 2023, there were 194 volunteers in the trust. The figures above do not currently include the Friends of DCH. Sadly, they made the decision in late 2022 to close their shop, having not been able to recover post covid from the restrictions and provide a full

shop and trolley service. The Friends of DCH have retained a small number of volunteers who support the trustees with fundraising. The volunteer service continues to support and work with the Friends of DCH and to develop plans for the future.

Response Volunteer Team
Funding from NHS England Voluntary Partnerships team enabled the trust to recruit a second volunteer co-ordinator on a part time, fixed term contract in July 2023. This has provided additional capacity to recruit and support more volunteers in their roles. Recently the service was granted funding from the DCH Charity to sustain this post for a further 12 months. The provision of this extra support has proved invaluable proactively planning future development of the service and new roles.

Focus for the Response Service over the last 12 months has been on the following:

- Increasing numbers of Healthy Stay volunteers to support on inpatient wards. The team is now in a position to more consistently support Hydration Rounds every weekday morning to 11 wards and increase support during the afternoons and evenings.
- Review of the Sitting Companion Role with the current volunteers and Palliative care team with plans for 2023 to re-communicate the blue butterfly symbol across the hospital and expand and develop this service.
- Increasing the numbers of Healthy Visit volunteers and expanding the areas where support is provided. This has included supporting South 2 entrance more regularly.
- Working with the Pharmacy team to develop a new volunteer role to support them.
- Working with the Volunteer Centre Dorset (VCD) on increasing the signposting support to Pathway 0 patient discharges.
- Continuing to carry out the distribution of surgical masks to departments around the hospital each weekday.
- Providing volunteer support to the COVID/Flu vaccination clinics.
- Volunteer tasking to support the trust during periods of Industrial Action which have taken place from December 2022.
- Responding to ad hoc requests for volunteer support, ranging from providing companionship to specific patients to increasing volunteer support in areas to help with redirecting patients to avoid building works.
- Reintroduction of volunteer roles on Kingfisher ward.
- Further development of the Activity offer to patients taking a proactive and volunteer-led approach. We are currently recruiting volunteers for our new Activity Squad role which is on target to launch in May 2023.
- Review of volunteer support in the Emergency Department with trials of new task guidance commencing March 2023.

Young Volunteer Programme
The Young Volunteer Programme has gone from strength to strength over the last year with focus on the following:

- **Onsite Young Volunteer Student Programme:** Partnerships with local schools have seen an increase in the numbers of Young Volunteers being recruited. With the addition of a new Volunteer Co-ordinator, the team has been able to support induction and volunteering better and offer young people more opportunities and experience.

- **Budmouth Academy Employability Diploma – Health Project:** volunteers have been working with Year 12 students at Budmouth Academy in Weymouth to support them with Employability Diplomas. During the early 2023 half term students worked on solving Healthcare related problems linked to Patient Experience. The winning team in the school recently presented their solutions to their Academy's Headquarters in London, winning first place in the country for their work.
- **Youth Voice:** Alongside the patient and public Voice partner work and in collaboration with teams at NHS Dorset and the Dorset Youth Association the team continued to work to develop plans towards establishing a 'Youth Voice' within the trust.
- **NHS Cadets**: Working with St Johns Ambulance, the team plans to launch an NHS Cadet Unit within the trust later in 2023.

Outpatient Assessment Centre (OAC) Volunteer Service

In November 2022 the Outpatient Assessment Centre (OAC) moved from South Walks House to Vespasian House in order to enable site development works. This meant a change of routine for the volunteer team based with the OAC. The team have adapted well and continue to work closely with the staff onsite to shape and develop the role both within Vespasian House and ahead of the move back to South Walks House in late 2023.

Volunteer Health and Wellbeing

Supporting our volunteers and making sure, as a support team, we are present for them is top priority. We continue review how the health and wellbeing offer to our volunteers can be increased. One Volunteer Co-ordinators has completed training to become a Wellbeing Champion as well as TRIM and Mental Health First Aid Training. This training will enable us to provide more support and signposting for the team. We are also working with the Live Well Dorset Team to provide Wellbeing Champion training to volunteers from April 2023.

Volunteer Thanks and Recognition

We were delighted that after a break of two years we were able to hold our Volunteer Summer Tea Party and Mince Pie Mingle events. Bringing volunteers together and seeing the positive impact these events have, demonstrated the importance of recognising the enormous and unique contribution that our volunteer team makes and thanking them the time they consistently give freely to the Trust. As part of the Summer event we also gave out service recognition certificates and were overwhelmed at how much these meant to our volunteers. We intend to further develop the service recognition offer in 2023. In 2022 we also saw volunteers recognised at the trust's 'Going the Extra Mile' awards and at the Volunteer Centre Dorset Volunteer Awards where the Response Team were recognised as one of the volunteer teams of the year.

Patient and Public Voice (PPV) Partners

The volunteer service continues to support the Patient Voice volunteers and this saw substantial change during 2022 with the request to support the development of the new NHS Patient Safety Partner role. To accommodate this and consolidate Patient Voice roles under one umbrella, the Patient and Public Voice (PPV) Partner process was developed by the volunteer lead. The process is currently being trialled and is supporting the recruitment of PPV Partners into a number of roles supporting patient representatives across the trust. The

PPV Partners include the following roles: Patient Safety Partners, Patient Research Ambassadors, Your Voice, Patient Representatives and Patient Experience Champions.

The following sections of the Staff Report are not subject to audit.

Consultancy

The NHS has additional controls for spending on consultancy contracts over the value of £50,000 to ensure value for money. The Trust had one contracts which exceeded the £50,000 limit.

	2022/23 £000s
Finance	23
IT/IS Consultancy	11
Organisation & Change Management Consultancy	49
Strategy	6
Total	**89**

Reporting High Paid Off-payroll Arrangements

The trust has a policy on the engagement of staff off-payroll to ensure compliance with employment law, tax law and HM Treasury guidance for government bodies. This contains a procedure to ensure appointees give assurances to the Trust that they are meeting their Income tax and National Insurance obligations.

The policy includes controls for highly paid staff including board members and senior officials, individuals under these sections require Accounting Officer approval and should only last longer than six months in exceptional circumstances.

All highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater	Number of engagements
Number of existing engagements as of 31 March 2023	8
Of which, the number that have existed:	
For less than on year at time of reporting	4
For between one and two years at the time of reporting	3
For between two and three years at the time of reporting	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, for more than £245 per day or greater	Number of engagements
Number of new engagements during the year ended 31 March 2023	728
Of which…	
Not subject to off-payroll legislation	717
Subject to off-payroll legislation and determined as in-scope of IR35	11
Subject to off-payroll legislation and determined as out-of-scope of IR35	Nil
Number of engagement reassessed for compliance or assurance purposes during the year	Nil
Of which; No of engagements that saw a change to IR35 status following review	Nil

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023	Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	19

The Trust has made no payments for off payroll arrangements to individuals through their own companies during 2022/23.

The following sections of the Staff Report are subject to audit.

Average number of employees (WTE basis)

	Average for year ended 31 March 2023		
	Total number	Permanent number	Other number
Medical and dental	434	418	16
Administration and estates	521	497	24
Healthcare assistants and other support staff	922	921	1
Nursing, midwifery and health visiting staff	943	861	82
Nursing, midwifery and health visiting learners	37	37	-
Scientific, therapeutic and technical staff	247	241	6
Healthcare science staff	95	91	4
Other	3	3	-
Total	3,202	3,069	133
Of which: Engaged on capital projects	26	26	-

The average number of employees is calculated on the basis of the number of worked hours reported. This means that the reporting of staff numbers and staff costs incurred are on a more consistent basis.

Employee Expenses

	Total £000	Permanent employed £000	Other total £000
Salaries and Wages	136,509	134,653	1,856
Social security costs	14,428	14,428	-
Apprenticeship levy	682	682	-
Pension cost – NHS pensions	15,219	15,219	-
Pension cost – Employer contributions paid by NHSE	6,674	6,674	-
Pension cost – other	66	66	-
Termination benefits	136	136	-
Temporary staff – Agency/contract staff	13,898	-	13,898
Total Gross Staff Costs	**187,612**	**171,858**	**15,754**
Included within; costs capitalised as part of assets	1,851	1,851	-

Exit Packages

2022/23 Exit package cost band	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
< £10,000	-	29	29
£10,001 - £25,000	-	3	3
Total number of exit packages by type	-	32	32
Total resource cost (£000)	-	136	136

2021/22 Exit package cost band	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
< £10,000	-	28	28
£10,001 - £25,000	-	2	2
Total number of exit packages by type	-	30	30
Total resource cost (£000)	-	110	110

The payments included in 'Other departures' agreed for 2022/23 are thirty-one in respect of contractual payments made in lieu of notice and one voluntary redundancy (2021/22 twenty-eight payments for lieu of notice and two payments for voluntary redundancy). Where the trust has agreed early retirements, the additional costs are met by the trust and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in this table.

Corporate Governance Report

NHS Foundation Trust Code of Governance

Dorset County Hospital NHS Foundation Trust has applied the principles of the Code of Governance for NHS Provider Trusts on a comply or explain basis. The Code of Governance for NHS Provider Trusts, most recently revised in July 2022, is based on the principles of the UK Corporate Governance Code issued in 2012 and aims to promote best governance practices. Whilst the Code of Governance for NHS Provider Trusts is a guidance document, it requires that foundation trusts disclose any deviation from it, providing a reason for deviation from the code and explanation as to how alternative arrangements meet the requirement of the code.

The Board of Directors implements the Code of Governance through a number of key governance documents which include:

- The Constitution
- Standing Orders and Standing Financial Instructions
- Scheme of Delegation and Matters Reserved to the Board
- Code of Conduct – Board of Directors and Council of Governors
- Annual Plan
- Board and Committee governance structure

Board of Directors Profiles

Chair

Mark Addison – first term 24/03/2016 – 23/03/2019, second term 24/03/2019 – 23/03/2022, extended to 23/03/2024

Mark has had an executive career in central government, working in senior operational and policy roles in a number of departments. He was the Chief Executive of the Crown Prosecution Service, Director General for Operations in the Department of Environment, Food and Rural Affairs, and was for a short spell the Permanent Secretary of that Department and the Chief Executive of the Rural Payments Agency. Since 2006 he has held non-executive roles, sitting on the boards of The National Archives and the Which? Council. He was the Chair of the Nursing and Midwifery Council.

Chair

David Clayton-Smith – first term to commence 01/05/2023

David is a vastly experienced chair and non-executive director, working in a broad range of non-executive roles in both the public and private sectors, most recently focusing heavily on health.

David has held non-executive director roles at Frimley Health NHS Foundation Trust and has been Chair at East Sussex Healthcare NHS Trust, as well as the NHS Sussex and NHS Surrey Primary Care Trusts.

From 2019-22, David was Independent Chair at the Buckinghamshire, Oxfordshire, Berkshire West Integrated Care System. He was also an Independent Chair at Epsom and St Helier NHS Trust. David's executive career was spent in marketing roles across the retail and hospitality sector.

Chief Executive Officer Designate

Matthew Bryant – appointed designate 06/03/2023

Matthew joined Dorset County Hospital and Dorset HealthCare trusts in March 2023 (and will take up the substantive role in April 2023).
Matthew previously worked for Somerset NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust where he was Chief Operating Officer for hospital services.

He led the Somerset health and care system boards for planned and unplanned care, and previously led surgical and medical services at the Royal Devon and Exeter NHS FT, as well as redesigning care for frail older people. Over a 25-year career in the NHS he has worked with hospital, community and mental health services, and helped to establish the Peninsula Medical School in the south west.

He is passionate about empowering NHS staff and working in partnership across organisations to improve health outcomes for local people. Matthew is also Senior Independent Trustee at Hospiscare, the palliative care provider based in Exeter.

Interim Chief Executive Officer

Nick Johnson – appointed Interim Chief Executive Officer 01/02/2022 (Director of Strategy, Transformation and Partnerships from 01/02/2016)

Nick joined DCHFT in 2016 from University Hospital Southampton NHS Foundation Trust where he was responsible for strategy and commercial development projects, including establishing an innovative commercial development joint venture, for which he was a Board Member.

Nick became the Trust's Deputy Chief Executive in 2020 and since joining the Trust Nick's portfolio has expanded to include strategy and corporate planning, corporate governance, transformation, communications, commercial, the DCH Charity and strategic estates developments, including the New Hospital Programme. Nick is also the executive lead for health inequalities and one of the Dorset Integrated Care System board member representatives for the Wessex Academic Health Science Network, as well as exec lead for the Trust's Subsidiary Company and Dorset Estates Partnership.

Prior to that he was responsible for business development and bid management at a large, multi-national infrastructure and support services provider focussing on strategic public private partnerships. Nick has also worked in a number of local authorities delivering innovative strategic partnerships, contract management and service transformation. Nick has a MSc from Warwick Business School and started his career on the National Graduate Management Scheme for Local Government.

Non-Executive Directors

Prof. Sue Atkinson - first term 01/09/2016 – 31/08/2019, second term 01/09/2019 – 31/08/2022, extended to 31/05/2023. Senior Independent Director from 01/10/2020 to 31/08/2022.

Sue has considerable experience in Public Health, clinical medicine, commissioning, as a chief executive, executive director, and non-executive director in the NHS and DoH. She was Regional Director of Public Health (RDPH) for London and developed the role as Health

Advisor to the Mayor and Greater London Authority. She was previously RDPH and Medical Director of South Thames, South West Region and Wessex. Her work includes health strategy, inequalities and partnership working, including with national and local government and the third sector. Sue holds a number of non-executive and academic posts, including founding Director and Chair of PHAST (Public Health Action Support Team – a not for profit social enterprise). She is a Board Member of the Faculty of Public Health, Visiting Professor at UCL, Co-Chairs the Climate and Health Council and was a board member of the Food Standards Agency.

Margaret Blankson – first term 01/01/2021 – 31/12/2023
Promoting issues of diversity and inclusion have been core tenets throughout Margaret's personal life and professional career. Following a career in local government, Margaret established her own consultancy providing strategic advice on transformation, regeneration and Corporate Social Responsibility programmes, with a focus on embedding issues of diversity inclusion into 64 mainstream delivery. Margaret's clients extend across all three sectors and have included Nike UK, Unilever, Lloyds Banking and the Football Association. Margaret spent several years involved in training Metropolitan Police Service officers in diversity and inclusion. She has held a number of advisory roles including Chair for the charity IMPACT and advisory Board member for Choice FM Radio. Margaret is currently a Trustee of Over the Wall, a charity providing breaks for children facing serious health challenges and is the founder of the Foodbank DoorSteppers, an organisation she established in response to COVID 19. Margaret is currently undertaking an MA in Consulting and Leadership in Psychodynamic and Systemic Approaches at the Tavistock Institute, London.

Judy Gillow MBE – first term 01/09/2016 – 31/08/2019, second term 01/09/2019 – 31/08/2022, Vice Chair from 02/09/2019 – 31/08/2022
Judy has had an extensive and successful career in the NHS in clinical, operational management, educational and Executive Director roles. She was awarded an MBE in 2010 for her work on improving hospital infection rates and in 2016 she was awarded an honorary doctorate by Southampton University for her work on developing clinical academic careers for nurses and health professionals. Her most recent post was Director of Nursing at University Hospital Southampton where she led the quality improvement agenda. She has undertaken the role of Senior Nurse Advisor for Health Education England, and is currently a Non-Executive Director with Southampton, Hampshire and Isle of White Clinical Commissioning Group. In addition, she is a Specialist Advisor for Care Quality Commission Inspections

Eiri Jones – first term 01/01/2022 – 31/12/2024, Vice Chair from 1/08/2022
Eiri Jones joined the Trust in January 2022. Eiri is a Registered Adult and Children's Nurse; has an MA in Professional Development; and is a QI practitioner supporting several Trusts with improvement work. Eiri has clinical, managerial and executive leadership knowledge and skills gained during a career spanning over 45 years. Eiri has held senior and board positions in a range of Trusts in England and Wales and has also held regional (Trust Development Authority), national (Welsh Government and State of Qatar) and regulatory (Nursing and Midwifery Council) appointments. Her most recent full-time role was as the

Regional Director for Getting it Right First Time (GIRFT) in the South West region. She is a Clinical Non-Executive Director in Salisbury Foundation Trust and has recently moved to Dorset.

Stuart Parsons – first term 01/12/2021 – 30/11/2024
Stuart is a fellow of the Association of Chartered Certified Accountants, having qualified whilst working at Eldridge, Pope Brewery in the centre of Dorchester. He has more than 30 years of experience in commercial finance and has held senior positions in a number of sectors including telecoms, logistics, equipment rental, asset management and engineering services. Before retirement he held the position of Group Commercial and Finance Director for Briggs Equipment UK Limited based in Staffordshire. His roles have included international businesses across Northern Europe and Russia. His experience demonstrates a strong collaborative approach, whilst improving governance and control, along with the critical challenge to improve performance and efficiency. He has a keen love of sport and music and is returning to Dorset after moving to the Midlands more than 23 years ago.

Dhammika Perera – Associate Non-Executive Director from 01/01/2022 to 31/12/2022
Dhammika is the Global Medical Director at MSI Reproductive Choices. He is a public health professional with over 22 years' experience as a physician and over a decade's experience in health service management at the global level. He holds a medical degree from the University of Colombo, a masters' degree in evidence based public health from the University of Manchester, a PhD in population health from Walden University, Minnesota and a fellowship from the UK Faculty of Public Health. He has work experience in the field of healthcare in multiple continents and has provided design, monitoring, quality improvement and clinical governance support to reproductive health service programmes in over 40 countries. Prior to joining MSI Reproductive Choices, Dhammika was the senior adviser for reproductive health at the International Rescue Committee in New York. He has also worked in multiple countries with Doctors Without Borders for over seven years. He is a strong believer in health equity, clinical governance, and patient centred care.

Stephen Tilton – first term 01/06/2020 to 31/05/2023
Stephen qualified as a Chartered Accountant with Price Waterhouse and is a Fellow of the ICAEW. He has held a series of senior executive roles in the financial services sector specialising in regulation, risk and governance, including over 10 years as director of legal and compliance at a global private equity firm. He joined DCH having spent nearly four years as a Non-Executive Director at Worcestershire Health and Care NHS Trust where he chaired the Audit and Charitable Funds committees and was a member of the Quality and Safety committee. Stephen is also an accomplished musician, and for 10 years was Master of Music at the Chapels Royal, HM Tower of London, having been a choral scholar at King's College, Cambridge from where he graduated with a degree in Classics.

David Underwood – first term 01/03/2020 – 28/02/2023, second term 01/03/2023 – 28/02/2026. Senior Independent Director from 01/09/2022
Dave is an experienced senior leader having worked first at the Civil Aviation Authority as an Air Traffic Control Scientist and Research Manager before joining the Met Office, in 1998, to lead their Civil Aviation Business. Over 20 years with the Met Office Dave undertook a range of senior executive roles including Group Head of Public Sector Business, Deputy Director of Technology and Information Systems and latterly Deputy Director of High-Performance

Computing. In addition to his executive roles Dave has more than 10 years non-executive leadership experience gained in the fields of Environmental Business, Further Education (serving on the Board of Exeter College) and most recently as a Non-Executive Independent Advisor to the Royal Devon & Exeter NHS Foundation Trust with regard to their MyCare Technology enabled Transformation Programme. Dave is passionate about delivering effective leadership of change and promoting the benefits of careers in science, technology, engineering, mathematics and medicine.

Executive Directors

Interim Chief Information Officer: Ruth Gardiner – appointed 01/09/2022
With over 35 years in healthcare, Ruth's career has been focussed on digital and transformation within the NHS. This has included as Trust Information Manager at University Hospitals Southampton, as Director for Healthcare with a supplier of Electronic Patient Record solutions and latterly as Principal Consultant and Managing Director for a leading ehealth consultancy.

Ruth joined the Trust in 2015 as the Programme Manager for the Trust's Digital Patient Record and from 2017 has been Deputy CIO with strategic and operational responsibility for patient systems as well as involvement with the digital strategy for the ICS.

The 17 years in consultancy has included a wide range of assignments including four years as lead consultant for the London Cluster on the National Programme for IT (NPfIT) and as digital lead for the Independent Sector Treatment Centre initiative working for the DH Commercial Directorate.

Ruth has a BA (Hons) in History and Law and MSc in Health Informatics from Southampton University and has had a number of peer reviewed publications on digital innovation within healthcare.

Chief Financial Officer: Paul Goddard – appointed 18/06/2018 to 02/10/2022 (left the Trust 08/10/2022)
Paul is a fellow of the Association of Chartered Certified Accountants and has over 30 years' experience in NHS finance. He joined the Trust in June 2018 from University Hospital Southampton FT where he spent over 10 years rising from Assistant Director of Finance to the role of Director of Finance which included a directorship of one of the wholly owned subsidiaries. He has worked extensively across the NHS sector at a senior level within both provider and commissioning organisations and also gained valuable experience working in a commercial role within a large US owned facilities management company.

Interim Chief People Officer: Emma Hallett – appointed 13/07/2022 (non-voting)
Emma joined the Trust in 2002 after completing a Human Resource Management Degree at Solent University. She has held a variety of roles within the People Division since then and presently holds the substantive role of Deputy Chief People Officer.

Emma obtained her Master's Degree in 2007 in the area of employment relations and is also a trained coach and facilitator. The staff at DCH are our greatest asset and Emma is

committed and enthusiastic about maximising staff experience. Emma lives locally with her family in Weymouth.

Chief People Officer: Dawn Harvey – appointed 01/04/2021 to 12/07/2022 (left the Trust 12/08/2022)
Dawn joined DCH in April 2021 from Birmingham Women's and Children's Foundation Trust. She is a Fellow of the Chartered Institute of Personnel and Development and is passionate about steering the people agenda and inclusive culture development to create environments where everyone can perform at their best and deliver the best patient care. After graduating from the University of Kent she has enjoyed a 30-year career spanning the private and public sector. She has held senior leadership in sales and operations as well as HR and Learning and Organisation Development. Dawn joined the NHS in 2011. Since then, she has led a range of award-winning staff experience improvements and major change and transformation including the people elements of the merger between Birmingham Children's and Birmingham Women's Hospitals. She is a graduate of the NHS Aspiring Director of Workforce programme. Dawn is an executive coach and mentor and has two grown up children.

Chief Financial Officer: Chris Hearn – appointed 03/10/2022
Chris joined DCHFT in October 2022 from Dorset HealthCare University NHS Foundation Trust, where he was Director of Operational Finance. During his time in the NHS, Chris has worked in a number of senior finance roles within acute, mental health and community Trusts, and prior to this has experience across a variety of technical and commercial finance roles within a large FMCG organisation. Chris is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), having qualified with PwC London where he was involved in the audit of a number of FTSE 100 companies.

Interim Chief Nursing Officer: Jo Howarth – appointed 28/11/2022
Jo trained as an Adult Registered Nurse in Bristol in 1990 and has held operational and senior nursing leadership roles in provider and commissioning organisations across the Southwest. She completed an MSc in Infection Prevention and Control in 2013 and has held the role of Director of Infection Prevention and Control since 2019.

As an Associate Director for Quality and Safety, Jo was responsible for trust-wide Clinical Governance and led Quality and Patient Safety Improvement Programmes accordingly. She spent three years as Deputy CNO and, as a Clinical Associate with the Southwest Academic Health Science Network, supported the delivery of the National Patient Safety Collaborative. She continues to judge the Annual Quality Improvement Southwest Conference poster competition.

Jo has joined us on secondment from the Direct Commissioning Directorate at NHS England South West, where she led Quality Governance and Quality Improvement for services such as Community Pharmacy, Specialised Services and healthcare delivery in the Health and Justice system. She was also the Regional Workforce Lead for the COVID-19 Vaccination Programme, overseeing the recruitment and training of more than 20,000 staff and volunteers who joined or returned to the NHS to support vaccination efforts across the region. She has a range of professional interests including widening entry, participation and

inclusion to NHS careers, professional development in Nursing and Allied Health Professions, and developing innovative approaches to addressing health inequalities.

Chief Medical Officer: Professor Alastair Hutchison – appointed 01/07/2018. Interim Deputy Chief Executive from 01/11/2022

Alastair joined DCH in July 2018 from Manchester Royal Infirmary, where he was Clinical Head of Division for Specialist Medicine and Clinical Professor of Kidney Medicine (University of Manchester). He has worked in clinical leadership roles in Manchester for over 15 years, including being Clinical Director for Renal Medicine, the Royal College Tutor in Medicine, Associate Clinical Head of the Division of Medicine, and most recently the Clinical Head for Specialist Medicine. He has clinically supervised the development and introduction of new IT systems as well as having a major interest in infection control. Alastair has wide-ranging experience in managing complex clinical services and is actively involved in research into acute and chronic kidney disease with around 100 publications in peer-reviewed journal and books. He has written chapters for both the Oxford Textbook of Medicine and the Oxford Textbook of Clinical Nephrology.

Chief Nursing Officer: Nicky Lucey – appointed 01/09/2016 to 31/10/2022.
Interim Deputy Chief Executive from 21/02/2022 to 31/10/2022.

Nicky joined DCHFT from Kent Community Health NHS Foundation Trust where she was Director of Nursing and Quality. During her career Nicky has held a number of senior roles, including Director of Clinical Standards at Portsmouth Hospitals NHS Trust. Her wealth of experience includes having successfully led many initiatives, such as workforce redesign involving education and career development, as well as patient care improvements. Nicky, who trained at Uxbridge, Middlesex, also has an MBA from Solent University. She has a professional background in cardiothoracic and critical care.

Chief Information Officer: Stephen Slough – appointed 01/06/2019 to 31/08/2022 (non-voting)

Stephen joined DCHFT as the first Chief Information Officer on the Trust Board. He is a Chartered Fellow of the British Computer Society and a Leading Practitioner for the newly launched national FED-IP digital healthcare leadership framework, and brings experience from a variety of national, European and global leadership roles he held for Siemens over a 20 plus year career in the private sector, before joining the NHS in Dorset in 2016. Since joining the NHS, he has led the creation of the digital transformation portfolio for the Dorset ICS, driving forward the digital agenda for the county with an ambition to provide sustainable digital services to the staff and public alike. Living close to Dorchester with his family he is a Scout Leader and a volunteer with Dorset Search and Rescue in his spare time.

Chief Operating Officer: Anita Thomas – appointed 04/10/2021

Anita joined DCHFT in 2000 as an Administration Manager. Since then, she has worked in a variety of roles across the Trust including Head of Health Records, Transport and Waste, Head of Access and Administration, Associate Director for Cancer and Access Services, Deputy Chief Operating Officer, Head of Transformation and Performance Improvement and Divisional Manager for Urgent and Integrated Care. Anita has a degree in History (Warwick), Masters in Developing and Leading Services (School of Health and Social Care, Bournemouth University), completed the 2015 NHS Leadership Academy Nye Bevan Programme - NHS Leadership Academy Award in Executive Healthcare Leadership as well

as Quality Improvement and Service Redesign (NHSI QSIR Programme) and has been a Teaching Faculty Member Associate since 2017. She has a passion for quality improvement led by staff and patient/carer co-design, use of data, user experience and intelligence to drive improvement and support teams to deliver high quality care for all.

Board of Directors

The Board of Directors is responsible for establishing the strategy of the trust and for the operation of the trust's business, ensuring compliance with the trust's Constitution, NHS Provider License, statutory requirements and contractual obligations. Details of the composition of the Board can be found in the Directors' Report above. Terms of Office and remuneration details are contained within the Remuneration Report.

Individual members of the Board of Directors undertake annual appraisal in order to establish performance objectives for the coming year. The process includes self-assessment, peer review and feedback from Governors and external stakeholders. The trust Chair's appraisal is undertaken by the Senior Independent Director and submitted to NHS England. The Board has considered the skills, expertise and experience needed to ensure appropriate balance and completeness to meet the ongoing requirements of the trust and has reflected these requirements in the appropriateness of appointments made to the Board of Directors during the year.

Attendance at Trust Board Meetings 2022/23

* indicates extra-ordinary meetings

P1 = Public P2 = Private D = Development	28 Apr 22	25 May 22	25 May 22	15 June 22	20 June 22	29 June 22	27 July 22	27 July 22	31 Aug 22	31 Aug 22	07 Sept 22	28 Sept 22	28 Sept 22	02 Nov 22	02 Nov 22	30 Nov 22	30 Nov 22	14 Dec 22	14 Dec 22	25 Jan 23	25 Jan 23	03 Feb 23	01 Mar 23	01 Mar 23	29 Mar 23	29 Mar 23
	P2*	P1	P2	P2*	D*	D	P1	P2	D	P2	P2*	P1	P2	D	P2	P1	P2	D	P2	P1	P2	P2*	D	P2	P1	P2
Non-Executives																										
Mark Addison	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sue Atkinson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓
Margaret Blankson	✓	A	A	✓	✓	✓	A	A	✓	✓	A	✓	✓	✓	✓	✓	✓	A	A	✓	✓	A	A	A	✓	✓
Judy Gillow (to 31 08 22)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓																
Eiri Jones	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓
Stuart Parsons	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	A	✓	✓	A	A
Dhammika Perera (to 31 12 22)	A	✓	✓	✓	A	A	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	✓							
Stephen Tilton	✓	✓	✓	✓	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dave Underwood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓
Executives																										
Nick Johnson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Matthew Bryant (from 06 03 23)																									✓	✓
Ruth Gardiner (from 01 09 22)											✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	A	✓	✓	A	A
Paul Goddard (to 08 10 22)	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	A	A													
Emma Hallett (from 13 07 22)							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A	✓	✓	✓	✓
Dawn Harvey (to 12 08 22)	✓	✓	✓	A	✓	✓	A	A																		
Chris Hearn (from 03 10 22)														✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Howarth (from 28 11 22)																✓	✓	✓	✓	✓	✓	✓	✓	✓	A	A
Alastair Hutchison	✓	✓	✓	✓	A	✓	✓	✓	A	A	✓	✓	A	A	A	✓	✓	✓	✓	✓	✓	✓	A	A	✓	✓
Nicky Lucey (to 31 10 22)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A													
Stephen Slough (to 31 08 22)	✓	✓	✓	✓	✓	✓	A	A	A	A																
Anita Thomas	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	A	✓	A	A	✓	✓

Risk and Audit Committee

The Risk and Audit Committee comprises a Non-Executive Chair with accounting experience and at least two other Non-Executive Directors, Chief Medical Officer or the Chief Nursing Officer and the Chief Operating Officer, Interim Chief Executive and the Chief Finance Officer. The committee is supported by Internal and External Auditors and representation from the Counter Fraud Authority. The work of the committee is regularly observed by members of the Council of Governors.

The purpose of the committee is to maintain oversight of the trust's systems of internal control, governance and quality safety on behalf of the Board of Directors, seeking assurances from non-executive committee chairs, supported by executive directors. The committee approved the appointment of the trust's Internal Auditor following a pan Dorset tendering process at their meeting held on 17th January 2023. At the same meeting, the committee made a recommendation to the Council of Governors on the appointment of the Trust's External Auditors following a pan Dorset tendering process.

The Risk and Audit Committee monitors the internal audit work programme and receives regular reports and assurances on the adequacy of controls in place. The Audit Programme facilitates and informs the Head of Internal Audit Opinion that is included within the trust's annual report each year.

External auditors review the plan of work, risks and mitigations and provide conclusions. They undertake a formal audit of the trust's accounts and annual report each year which includes scrutiny of: Management Override of Controls, Valuation of Land and Buildings and Fraudulent recognition of non-pay expenditure.

The committee considered the Annual Report and Audited Accounts for 2022-23 at a meeting held on 5th June 2023 and concluded that there were no significant risks requiring action pursuant to the Corporate Governance Code.

Non-Executive Director Members Attendance at the Risk and Audit Committee 2022-23

Name	Attendance/Meetings eligible to attend*
Sue Atkinson	2/6
Judy Gillow	2/2
Stuart Parsons (Committee Chair)	6/6
Stephen Tilton	3/6
Dave Underwood	6/6

* Meetings of the Risk and Audit Committee took place in May, July, September, November, January, and March.

Remuneration and Terms of Service Committee

Information about this committee and its activities can be found in the Remuneration Report.

Effectiveness Evaluation

The Board of Directors has a programme of staff and patient stories at each formal Board meeting, and this has been maintained throughout the year. These stories provide direct feedback from staff, patients and their carers.

The Board has undertaken a comprehensive review of its subcommittee performance in order to ensure delivery of respective committee work programmes and assurances and effective cross committee communication and escalation of matters to the Board. The outcome of this has informed the respective committee Terms of Reference and annual work programmes for the coming year.

Board committees have met virtually on a monthly basis throughout the year and the Board has met publicly in alternate months and privately each month. The divisional service reporting and attendance at Board committee meetings was reviewed during quarter four and reduced requirements were agreed in order to release operational capacity to manage continued and significant operational demand pressures and the impact of industrial action taken by junior doctors, ambulance and nursing unions. The committees have remained focussed on maintaining safety and quality, key risks and mitigation and essential business transactions. A review of strategic risks contained within the Board Assurance Framework (BAF) following a review of the trust's appetite for risk in quarter four is planned at the beginning of the new financial year and board sub committees will continue to monitor respective risks, mitigations and controls against the refreshed appetite statement.

A formal review of the trust's Governance Framework and committee structures was undertaken during the year. The review has restructured and defined the groups reporting directly to board committees and introduced an additional tier in the hierarchy for subject matter expert / technical groups. The review aimed to streamline reports to committees and improve the quality and length of reports committees received, whilst also clarifying approval routes for management and financial decisions for service managers. New report front sheets and a revised report template and guidance were launched concurrently with the revised Governance Framework.

Well Led Review

NHS Foundation Trusts are required to undertake an independent external review against the Care Quality Commission's Well Led Framework every three to five years. Dorset County Hospital NHS Foundation Trust commissioned PriceWaterHouseCoopers (PWC) to undertake this review in the autumn 2021 and a report was produced in quarter four.

Whilst the report concluded that the trust was well led overall, the pandemic context, including the nationally operated financial regime at the time, was noted. The report highlighted the need for the trust to refocus on its financial position and contribution to addressing the system underlying deficit position and the need to strengthen governance and escalation processes at care group level. A plan to address these recommendations was presented to the Board of Directors in May 2022 for approval and action progress has been regularly monitored by the Board throughout the year.

Care Quality Commission

The trust is required to register with the Care Quality Commission (CQC) under section 10 of the Health and Social Care Act 2008.

The trust is required to register with the Care Quality Commission (CQC) and its current status is registered in full without conditions. The Care Quality Commission has not taken enforcement action against the trust during 2022- 2023.

The trust has not participated in any special reviews or investigations by the CQC during the reporting period.

CQC undertook a targeted inspection of the mental health provision for children and young people with mental health conditions, including learning disabilities and autism, who require admission to an acute trust.

The trust welcomed the opportunity to receive feedback from CQC in order to ensure safe care is provided to our population. No rating was applied to this targeted inspection, however as part of the published report the trust is acting on recommendations provided by the CQC.

For further detail refer to the Dorset County Hospital NHS Foundation Trust Quality Account 2022/23.

Ratings for Dorset County Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement → ← Oct 2018	Good → ← Oct 2018	Good → ← Oct 2018	Good → ← Oct 2018	Good ↑ Oct 2018	Good ↑ Oct 2018
Medical care (including older people's care)	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Surgery	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Critical care	Good Aug 2016	Good Aug 2016	Good Aug 2016	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016
Maternity	Requires improvement Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018
Services for children and young people	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
End of life care	Good ↑ Oct 2018	Requires improvement → ← Oct 2018	Good → ← Oct 2018	Good → ← Oct 2018	Good ↑↑ Oct 2018	Good ↑ Oct 2018
Outpatients	Good Oct 2018	N/A	Good Oct 2018	Good Oct 2018	Requires improvement Oct 2018	Good Oct 2018
Diagnostic imaging	Good Oct 2018	Good Oct 2018	Good Oct 2018	Requires improvement Oct 2018	Good Oct 2018	Good Oct 2018
Overall*	Requires improvement → ← Oct 2018	Good ↑ Oct 2018	Good → ← Oct 2018	Good → ← Oct 2018	Good ↑ Oct 2018	Good → ← Oct 2018

Compliance with the Code

Dorset County Hospital NHS Foundation Trust has remained compliant with Code of Governance requirements throughout the year. In order to support greater collaboration between the trust and Dorset Healthcare NHS Foundation Trust, both Boards agreed the appointments of a joint Chair and a joint Chief Executive in September 2022. The joint recruitment processes resulted in the

appointment of the Chief Executive (designate from 6 March 2023) from 1st April 2023 and the joint Chair from 1st May 2023. The Board of Directors has maintained effective leadership and maintained focus on key decision making and risks, whilst facilitating flexibility to release operational capacity to manage operational pressures and demand.

Information Governance

Significant work has continued in year to strengthen information governance arrangements across the trust and to ensure improved compliance with the Data Security and Protection Toolkit requirements, achieving a compliant submission in year. Further discussion of information governance activity throughout the year can be found in the Annual Governance Statement.

Council of Governors

The Council of Governors represent the interests of the populations and communities served by the trust and partner organisations. The Council of Governors has a duty to hold non-executive directors to account individually and collectively for the performance of the Board of Directors, providing feedback on the trust's performance to stakeholder organisations and members. The Chair of the Council of Governors is also the Chair of the Board of Directors and is responsible for the performance of non-executive directors.

The Council of Governors received the Annual Report and Accounts and has responsibility for conducting an Annual Members' Meeting, which is held jointly each year with the Annual General Meeting.

Members of the Council of Governors and the constituencies they represent are outlined below.

Governor contact details are available on the trust's website www.dchft.nhs.uk or correspondence can be sent to the Head of Corporate Governance, Dorset County Hospital NHS Foundation Trust, Trust Headquarters, Williams Avenue, Dorchester, DT1 2JY.

Governors and Terms of Office and Attendance at Council of Governors' meetings 2022-23

ELECTED GOVERNORS

Name	Constituency	Current Tenure	Attendance at Council of Governors meetings/Meetings eligible to attend* x/x
Simon Bishop	East Dorset	01/10/20 – 30/09/23 (third term)	4/7
Maurice Perks	North Dorset	09/07/21 – 08/07/24 (second term)	4/7
Lynn Taylor	North Dorset	09/07/21 – 08/07/24 (first term)	6/7
Judy Crabb	West Dorset	09/07/21 – 08/07/24 (first term)	4/7
Sarah Carney	West Dorset	09/07/21 – 08/07/24 (second term)	5/7
David Cove	West Dorset	01/10/20 – 30/09/23 (third	6/7

(Lead Governor until 30/09/2022)		term)	
Kathryn Harrison (Lead Governor from 01/10/2022)	West Dorset	01/10/20 – 30/09/23 (first term)	7/7
Steve Hussey	West Dorset	09/07/21 – 08/07/24 (first term)	5/7
Margaret Alsop	Weymouth and Portland	01/10/20 – 30/09/23 (second term)	0/7
Mike Byatt	Weymouth and Portland	01/10/20 – 30/09/23 (first term)	3/7
Stephen Mason	Weymouth and Portland	09/07/21 – 08/07/24 (second term)	7/7
David Richardson	Weymouth and Portland	09/07/21 – 08/07/24 (first term)	0/7
Dave Stebbing	Weymouth and Portland	09/07/21 – 08/07/24 (second term – non-consecutive)	3/7
Kathryn Cockerell	Staff	09/07/21 – 08/07/24 (first term)	1/7
Tracy Glen	Staff	01/10/20 – 30/09/23 (third term – non-consecutive)	3/7
Tony Petrou	Staff	09/07/21 – 08/07/24 (first term)	6/7
VACANCIES			
1 VACANCY	East Dorset	-	-
1 VACANCY	South Somerset and Rest of England	-	-
1 VACANCY	West Dorset	-	-
1 VACANCY	Staff	-	-

APPOINTED GOVERNORS

Name	Organisation	Current Term Ends	Attendance at Council of Governors meetings/Meetings eligible to attend*
Terri Lewis	Age UK	11/09/2025 (first term)	1/3
Tony Alford	Dorset Council	04/07/2025 (second term)	5/7
Barbara Purnell	Friends of DCH	16/10/2025 (first term)	1/2
Jean-Pierre Lambert	Weldmar Hospice Care Trust	12/02/2026 (first term)	1/1
Dawn Harvey	NHS Dorset	28/02/2026 (first term)	0/0

GOVERNORS WHO LEFT DURING THE YEAR

Name	Constituency/Organisation	Leaving Date	Attendance at Council of Governors meetings/Meetings eligible to attend*
David Tett	West Dorset	21/11/2022	0/5

David Thorp	Age UK	11/09/2022	0/4
Annette Kent	Friends of DCH	16/10/2022	2/4
Davina Smith	Weldmar Hospice Care Trust	13/02/2023	4/7

* The Council of Governors met on the following dates in 2022/23: 09 May, 27 July (Extraordinary), 07 September (Extraordinary), 26 September (Extraordinary), 10 October, 13 December, 13 February.

Governor Activities

In line with guidance from NHS England and NHS Providers, and the trust's governance arrangements during the pandemic, governor activities continued to be somewhat reduced in 2022/23. However, governor committees continued to meet virtually and in the final quarter of the year a number of governor meetings and activities were reconvened in person. Governors were active in non-executive, joint Chair and joint Chief Executive Officer recruitment and the restarting of governor engagement activities in support of developing the trust membership, following a period of abeyance due to the pandemic.

Throughout the year governors have continued to primarily meet virtually via videoconferencing. In addition to the quarterly Council of Governors' meetings, three extraordinary meetings of the Council were held in July and September 2022 to consider the approach to non-executive director recruitment (details below), to appoint a new Vice-Chair and a new Senior Independent Director (details below), to receive an update on the proposal for greater collaboration between the trust and Dorset Healthcare Foundation Trust, and to receive the annual report and accounts presentation of the external auditors opinion from the trust's external auditors. Each regular meeting of the Council of Governors was attended by two non-executive directors, who provided updates on key topics for the governors, as well as updates from the Chief Executive Officer and the Chief Finance Officer. The governors also reviewed the trust constitution and received an update on the trust's response to the Ockenden review.

In addition to the Council of Governors' meetings, the governors also meet on a more informal basis four times a year at the Governors' Working Group. These meetings are chaired by the trust Chair and attended by two non-executive directors on a rotational basis. Topics explored in the Governor Working Group sessions have included the trust's NHS staff survey results, a deep dive into the trust's recovery performance, equality, diversity and inclusion, and an update on the Your Future Hospital programme. In addition to the regular governor meetings, the trust hosted a session for the governors on the topic of the newly formed Integrated Care Systems.

The Council of Governors also received the recommendation from the Risk and Audit Committee on the reappointment of the incumbent external auditors, for a period of three years with the option to extend for two additional 12-month periods.

Details of the activity of the governors' Nominations and Remunerations Committee are given below.

Nomination and Remuneration Committee (Council of Governors' sub-committee)

The Nomination and Remuneration Committee is a subcommittee of the Council of Governors and is responsible for the appointment of non-executive directors and determining the rate of remuneration for non-executive directors.

The committee met on ten occasions to update and codify recruitment process guides, to appoint to the Vice Chair and Senior Independent Director roles, to reappoint two non-executive directors, and to consider the appointment of a non-executive director vacancy. Members of the committee were involved at all stages of the recruitment process which incorporated stakeholder engagement events. Following an unsuccessful recruitment campaign earlier in the year, a further recruitment campaign remains ongoing at the time of writing.

On two of these occasions the committee also met as a formal committee in common with Dorset Healthcare University NHS Foundation Trust Nomination and Remuneration Committee to consider the appointment of a joint Chair. The committee in common also met on an informal basis a further two times. The committee employed the services of an independent search agency when executing its duties in relation to the successful appointment of the joint Chair. The agent was appointed jointly with Dorset HealthCare NHS Foundation Trust, through the Trust's usual procurement processes on behalf of the committee and the fee for these services was £20,000 plus VAT. This cost was shared equally with Dorset HealthCare NHS Foundation Trust.

The committee also made a recommendation to the Council of Governors to extend the term of office for the trust Chair for up to a further 12 months following the end of his second term in office and further to an extension made in 2021/22. The recommendation was approved by the Council of Governors which noted the exceptional circumstances to facilitate the recruitment of the joint Chair and joint CEO and that the extension would allow for a handover period with the successful joint Chair candidate.

Attendance at Nomination and Remuneration Committee 2022-23

Name	Title	Attendance/ Meetings invited to or required to attend
Mark Addison (Chair)	Trust Chair	8/8
Eiri Jones	Vice Chair	4/4
Simon Bishop	Public Governor	5/10
David Cove	Lead Governor (up to 30/09/2022)	9/10
Judy Crabb	Public Governor	2/3
Kathryn Harrison	Lead Governor (from 01/10/2022)	9/10
Steve Hussey	Public Governor	7/10
Jean-Pierre Lambert	Appointed Governor	1/1
Stephen Mason	Public Governor	10/10
Davina Smith	Appointed Governor	7/7
Dave Stebbing	Public Governor	0/7
David Tett	Public Governor	0/6

Council of Governors Register of Interests

Dorset County Hospital NHS Foundation Trust is required to maintain a record of the details of company directorships and other significant interests held by Governors which may conflict with their responsibilities. The trust maintains a Register of Interests for Executive Directors, Non-Executive Directors, Governors and senior members of staff. The Register of Declarations of Interest for our Board members is available on the hospital website https://www.dchft.nhs.uk/about-us/freedom-of-information/publication-scheme/ or on request from the Head of Corporate Governance.

How the Board and Governors Work Together

Despite governor meetings continuing to be held virtually, there are a number of mechanisms in place to enable the board and governors to work together. The board and governors maintain contact via governors observing board sub-committee meetings, executive and non-executive attendance at Council of Governor meetings, executive and senior colleague attendance at a range of governor meetings including the Strategic Plan Committee workshops, and an open invitation for governor attendance at part one board virtual meetings.

The trust has continued to extend its governor observer programme at board sub-committees to include bi-annual meetings between the governor observers and committee chairs, as part of the trust's ongoing commitment to support the governors in their statutory role of holding the non-executive directors to account for the performance of the board.

Governors have continued to be able to ask questions of the board via the governor matters item at council of governors' meetings, at part one board meetings and via the corporate governance team as required.

In the event of a disagreement between the Council of Governors and the Board of Directors, the Dispute Resolution process referred to in the trust's constitution (annex 8) will be invoked. This process has not been invoked during the year.

Director Attendance at Public Council of Governor Meetings during 2022-23

Date of Public Council of Governors' Meeting	Executive Attendance*	Non-Executive Attendance**
9 May 2022	Interim Chief Executive Officer Chief Financial Officer	Mark Addison (Chair) Sue Atkinson Stuart Parsons
10 October 2022	Interim Chief Executive Officer Deputy Director of Finance Interim Chief Information Officer	Mark Addison (Chair) Stuart Parsons Stephen Tilton
13 December 2022	Interim Chief Executive Officer Chief Financial Officer	Mark Addison (Chair) Margaret Blankson Eiri Jones
13 February 2022	Interim Chief Nursing Officer Chief Finance Officer	Mark Addison (Chair) Stuart Parsons Dave Underwood

* Executives attend the Council of Governors as requested to present relevant reports. Governors also have the right to request members of the executive team attend the meetings, but the Council of Governors has not exercised this right during 2022/23.

** In addition to the Chair's attendance, Non-Executive Directors are invited to attend Part One Council of Governor meetings on a rota basis.

Governor Elections

There were no elections held in 2022/23.

Membership

Foundation trusts have a responsibility to engage with the communities that they service and listen to community views when planning services.

The trust has two types of membership: public and staff. The trust encourages people who live within its constituency boundaries to register as public members. Being a member demonstrates support for the hospital and the services it provides and gives the opportunity to share views with the trust to help it best meet patient needs.

Membership is open to people ages 16+ years who are resident in England. Registration as a member can be via a membership application form, online at www.dchft.nhs.uk, via email to foundation@dchft.nhs.uk, or by phoning 01305 255419.

The Council of Governors has established a Membership Development Committee which meets on a quarterly basis to keep the membership development strategy under review and to oversee membership communications, events and recruitment. The trust has maintained a fairly steady level of membership throughout 2022/23. Following a period of abeyance throughout the pandemic the engagement work for the governors' Membership Development Committee has re-commenced, with the governors holding pop-up stands within the hospital to meet staff, patients, and visitors, and with the governors holding informal engagement events in public spaces. The trust has also continued to keep in contact with its members via the trust's website, social media and the publication of the DCH Way newsletter. The governors continue to publish their bi-annual governor Bulletin; an e-newsletter to enable to governors to communicate directly with the membership. Members also continue to receive regular Your Future Hospital newsletters by email from the trust. Through these mechanisms the governors are able to update the membership and constituents on how they have discharged their responsibilities.

Constituency	2022/23	2021/22
East Dorset	213	222
North Dorset	223	224
South Somerset and the Rest of England	85	86
West Dorset	1,121	1,152
Weymouth and Portland	652	674
Total Public Members	2,296	2,358
Staff Members	4,477	4,235
Total	6,773	6,593

NHS System 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.

This segmentation information is the trust's position as at 31 March 2023 is segment 2. The trust started the financial year in segment 3 because of its waiting time performance for elective care. The result of improved waiting time performance during the year lead to a change in segment during November 2022.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Dorset County Hospital NHS Foundation Trust

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

NHS England has given Accounts Directions which require Dorset County Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Dorset County Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS 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.*

Matthew Bryant
Chief Executive
Date: 14 June 2023

Annual Governance Statement 2022/23

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.*

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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Dorset County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dorset County Hospital NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

The trust has maintained a robust system of internal control throughout the year; revising how it both responded to the sustained operational pressures and ensured that the Board and Council of Governors remained fully briefed on the trust's operational response. The Board of Directors has maintained oversight of the risks to delivery of strategic priorities and progress in key areas of programmed work where this has been possible.

Capacity to Handle Risk

The Board maintained normal operation of the Board and the subcommittees it has established throughout the majority of the year. Significant and sustained operational pressures in the latter part of the year, compounded by industrial action by ambulance and NHS unions led the Board to revise how best to conduct Board and subcommittee business in order to release operational capacity in order to maintain safe services. Divisional attendance at Board and committee meetings was stood down and reporting was reduced to key risks and mitigations and the conduct of essential business and decision making at times of significant pressure during quarter 4. The frequency of Board and sub-committee meetings remained unchanged in order that the Board could continue to make essential decisions in a timely manner.

The Board and sub-committees continued to receive regular reports against key quality metrics and performance; being benchmarked with other regional partners on metrics for urgent care, cancer and diagnostic services and waiting times. The Board continued to receive patient and staff feedback regularly during the year, and these were positively received by the Board.

Risk appetite can be defined as the amount of risk an organisation is prepared to accept in pursuit of its strategic objectives and defines the level of risk an organisation is prepared to tolerate or be exposed to at any point in time. Outlining the strategic risk appetite provides clear leadership direction about the level of acceptable risk and assists in the identification further mitigating actions.

In light of the sustained operational service pressures and the financial imperative to achieve a year end break-even position, the Board of Directors reviewed its appetite for risk in Quarter 4. A review of strategic risks and mitigations within the Board Assurance Framework is planned early in the new financial year within the revised risk appetite context.

The trust recognises that its long-term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, the public and strategic partners. As such, the trust will not accept risks that materially impact on patient safety. However, the trust has a greater appetite to take considered risks in terms of their impact on organisational issues. The trust has a greater appetite to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment and within the wider context of collaborative system working.

The trust has regularly referred to the risk appetite statement in discussion by the Board and sub-committees and in decision making throughout the year. The trust has a clear statement as to the level of risk it is willing to tolerate in the following areas;

- Quality and safety
- Compliance and regulation
- Innovation and transformation
- Finance
- Commercial
- Reputation and
- Workforce

The inclusion of risks within in Board and Committee cover sheets has further raised the profile and awareness of the trust's appetite amongst senior managers and decision makers.

The Chief Nursing Officer is the executive lead for risk management and is supported in this by the Head of Risk Management. The trust has a Safety Group, which reviews risks, incidents and Health and Safety matters. It reports by exception to the Quality Committee. The Risk Management Framework sets out the Board's requirement that a systematic approach to identify and manage risks is adopted across the trust and that systems are in place to mitigate those risks where possible. The framework also stipulates that it is essential that all trust staff are made aware and have an understanding of the procedures in place to identify, report, assess, monitor and reduce or mitigate risk as far as possible.

The trust's approach to risk management is pro-active and does not differentiate the processes applied to clinical and non-clinical issues. Common systems for the reporting, identification, assessment, evaluation and monitoring of risk have been developed within the trust and apply to all risk issues, regardless of type. The risk management approach involves:

- identifying sources of potential risk and proactively assessing risk situations, and mitigating those risks as far as possible;

- identifying risk issues through the reporting of serious and adverse incidents, near misses, complaints and claims, and internal and external review reports;

- investigating and analysing the root causes of incidents;

- undertaking aggregated root cause analysis (RCA) which includes consideration of incidents, complaints, claims and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) data;
- taking action to eliminate or minimise harmful risks;
- monitoring the delivery and effectiveness of actions taken to control risk;
- learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the organisation;
- Continuation of a 'Learning from Incidents' Panel, which is chaired by the Chief Medical Officer and the Chief Nursing Officer, which provides a positive challenge on root causation, learning and meaningful actions and helps to identify notable practice. Learning is shared by being cascaded through respective divisions through their local governance and risk groups.

Effective implementation of the strategy facilitates the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk. To achieve this, the trust:

- ensures all staff and stakeholders have access to a copy of the Risk Management Framework;
- produces a register of risks across the trust which is subject to regular review at Divisional level, by the Senior Management Team, Safety Group, Board sub-committees and the Board;
- communicates to staff any action to be taken in respect of risk issues;
- has developed policies, procedures and guidelines based on the results of assessments and identified risks;
- ensures that training programmes raise and sustain awareness throughout the trust of the importance of individual responsibility in identifying and managing risk;
- ensures that staff have the knowledge, skills, support and access to expert advice necessary to implement the policies, procedures and guidelines associated with the strategy; and
- monitors and reviews the performance of the trust in relation to the management of risk and the continuing suitability and effectiveness of the systems and processes in place to manage risk.
- Corporate risks are linked to the Board Assurance Framework, and they are also linked to any supporting information to evidence where and how the risk has arisen and how the risk score has been determined.

The trust has well developed business continuity plans in place and established an Incident Management Centre in order to respond to the COVID-19 crisis and respond to pressures arising from increasing urgent and emergency care demands and to maintain safety throughout periods of industrial action. The trust has had sufficient protective and other essential equipment and retained capacity to deal with cases, manging periods of increased staff absences due to increased cases of respiratory infections and industrial action.

The Board and its sub-committees review the Corporate Risk Register and the Board Assurance Framework every two months. The Board sub-committees provide greater scrutiny of the controls and mitigations in place in support of the Board Assurance Framework on a quarterly basis.

Risk training forms part of the trust Induction programme for clinical and non-clinical staff. Risk training is also included in preceptorship and junior doctor training. Specific training in Root Cause Analysis has been provided with an option for staff to be supported with statement writing and investigations provided by the Risk Management team.

The Risk and Control Framework

The trust acknowledges that effective risk management is a key enabler to ensuring continuous improvement in the quality of care delivered and that all members of staff have an important role to play in identifying, assessing and managing risk. This is achieved, through proactive risk assessment, or reactively, through review of risk events, complaints inquests and legal claims. To support staff in this role, the trust provides a fair, consistent environment that encourages a culture of openness and willingness to admit mistakes. All staff are encouraged to report when things have, or could have, gone wrong. At the heart of the trust's Risk Management Framework is the desire to learn from incidents and near misses, complaints inquests and claims, in order to continuously improve management processes and clinical practice. The Trust strives towards a Restorative Just and Learning Culture; an environment where we put equal emphasis on accountability and learning. To support staff to be able to work in an environment where staff feel supported and empowered to learn when things don't go as expected, through restorative practice. The primary focus is to achieve a culture that gives staff the confidence to speak honestly about something that didn't go to plan and to report issues.

The trust has in place clear policies and systems for identifying, evaluating and monitoring risk. These include:

- The Risk Framework
- Trust policies and procedures
- Service, Care Group, Divisional and Corporate Risk Registers that contain both clinical and non-clinical risks together with the Board Assurance Framework
- Designated appointments to support the Board and staff in the management of risk including the Executive Nurse, Head of Risk management, Health, Safety and Security Manager, Emergency Planning lead and identified Divisional leads.

Trust-wide risk profiling is undertaken on an on-going basis and managers are required to ensure that risk assessment and audit is undertaken within their areas of responsibility. Outcomes are recorded within the trust's incident and risk assessment system and managers are responsible for ensuring that findings are acted upon and adequately monitored. Audit of the centralised system ensures that managers review assessments as required.

The trust's Risk Event Reporting Policy requires staff to report all adverse incidents, both actual and potential (near misses), and sets out the methodology and responsibilities for assessing and evaluating the risks. The impact of a risk will dictate at which level of the organisation the risk event is investigated and reported, with the lowest category (green) being managed at a local level and the highest (red) managed at executive level with reports being made to the Board and statutory external agencies. Risk learning is shared through system partners meetings and through the Patient Safety Specialists.

The trust reviewed its Governance Framework in year in order to strengthen accountability and escalation reporting arrangements and to provide greater clarity on decision making processes and authority levels. The review included a review of the existing Board, subcommittee and group reporting structures, a review management approval processes and groups, a review of the

delegated financial authority limits within the trust's Standing Financial Instructions and the development of clearer reporting and escalation reporting guidance and templates. The trust approved the introduction of a tier 4 within the governance hierarchy providing distinction and clarity on the purpose and composition of technically expert groups operating at this level and executive management oversight groups operating at tier 3 level and directly reporting to Board sub-committees.

Quality

The Chief Nursing Officer is the executive lead for quality and safety governance, supported by the Chief Medical Officer and the Chief Operating Officer.

During what has been another exceptional year, the trust has maintained oversight of key quality performance and activity metrics, benchmarking these with regional and national partners. The trust has been assured that it has provided consistently good performance in respect of recovery of cancer services standards and maintaining good ambulance handover times.

The CQC continued to take a risk-based approach to regulatory inspections. Quarterly engagement meetings continued with our Local and Regional Inspectors. Monthly virtual catch-up meetings also took place with the DCH Quality Assurance Manager and the CQC Local Inspector.

The CQC has undertaken a focused inspection of the MH provision for Children and Young People when admitted to the hospital following the trust notifying them of an incident. The trust is committed to ensuring safe effective and patient centred care is provided for our patients and in response to the inspection report the trust has identified areas for improvement including robust policies and processes for consent and patient documentation.

The trust continues to set Quality Priorities which are monitored through internal governance processes and reported through the Annual Quality Account.

The CQC has continued to virtually attend the ICS System Quality Group to provide further scrutiny of quality in the trust, with wider regulatory and non-regulatory partners. Throughout the year the trust has continued to be monitored under 'routine surveillance', meaning that no concerns were raised or escalated for further scrutiny.

Following the publication of the CQC Strategy in 2021, the CQC have introduced a risk-based approach to regulation through their Direct Monitoring Approach which is driven through a regular review of information they receive, engagement with people who use the services and relationship meetings with the Trust.

The trust continues to self-assess itself and continues to strive to provide outstanding quality care.

The Quality Committee has continued to scrutinise quality governance arrangements and performance in the trust and provide assurance to the Board. The committee Chair's term of office expired at the end of August 2022 and a new committee Chair was appointed. The Chief Nursing Officer and the Chief Medical Officer are Executive leads at the Quality Committee which continued to meet on a monthly basis and received key reports in support of effective infection prevention and control practices and staff and public safety.

The Chief Nursing Officer left the trust in October 2022 and an interim appointment was made. The Finance and Performance Committee also met on a monthly basis, and the Chief Finance Officer and the Chief Operating Officer are the Executive leads. The trust appointed a new Chief Finance Officer in November 2022 following the retirement of the previous incumbent. The focus of business has remained on delivery of urgent care, diagnostic and cancer services, the elective activity recovery programme, the reduction in waiting times for patients and ensuring that essential changes to the trust's estate were completed in line with the trust's Standing Financial Instructions. Additionally, the committee has been focused on reducing high-cost agency expenditure, delivering the Cost Improvement Programme and achieving a break-even year end financial position in conjunction with system partners. To this end, the Finance and Performance Committee established a short-life working group to provide greater scrutiny and challenge to services in delivering these programmes of work.

The People and Culture Committee provides the focus on people and culture. Staff wellbeing and support has been a key focus for the committee, ensuring that staff have access to ongoing support and wellbeing services and facilities. Additionally, the committee has supported initiatives to enhance staff recruitment and retention and reduce the use of high-cost temporary staffing, growing the trust's inhouse staff Bank during the year. The Chief People Officer, who is the executive lead, left the trust in year and interim arrangements for the role were in place for the remainder of the year.

The Risk and Audit Committee has maintained oversight of the trust's system of internal control and the Non-Executive Chair is supported by the Chief Finance Officer who is the identified Executive lead. The Internal Audit Programme has been delivered to plan providing assurances on areas of key risk identified within the programme.

Key Risks

The Board Assurance Framework outlines the risks to delivery of the trust's strategic objectives of People, Place and Partnerships.

The following risks are recorded within the Board Assurance Framework against the respective strategic objectives of the trust and are risk rated 20:

1. If we fail to attract and retain the right people with the right skills then more pressure on existing teams.

2. If there is a continuing inability to reliably recruit or retain sufficiently skilled clinical staff to meet patient demand, then we will not be able to meet required care standards, so will not meet the strategic ambitions on quality, personalised care and financial objectives.

3. If our emergency and urgent care pathways do not meet the increase in unplanned attendances, then patients will wait too long for appropriate care in emergency situations and therefore the objective of high-quality care that is safe and effective will not be met. Similarly, this would mean we are not contributing to a strong, effective Integrated Care System, focussed on meeting the needs of the population.

Following the review of the trust's Risk Appetite Statement in Quarter 4, committee Chairs and Executive leads have been charged with reviewing risk mitigations and scores within the Board Assurance Framework against the revised appetite in Quarter 1 of the new financial year.

The trust is able to assure itself of the validity of its Corporate Governance statement; (NHS Foundation Trust Licence Condition 4 requirement) through the following mechanisms that have been deployed during 2022/23:

- the Board has maintained a strong emphasis on quality and safety in its meeting agendas to ensure that these remain the focus of decision making and planning.
- the Board has an executive lead for quality and clear accountability structures are in place for a quality agenda that is integrated into all aspects of the organisation's work.
- The Board has continued to undertake visits to wards to meet with staff and gain feedback on an intermittent basis where service operational pressures have allowed. Arrangements for the recommencement of Governor participation in these visits commenced in the latter part of the year and Governors have continued to observe Board and committee meetings where feedback has been shared.
- The Board has continued to deliver optimal A&E waiting times, elective, diagnostic and cancer care to patients.
- The Board has maintained appropriate oversight of regulatory and compliance regimes through robust incident management arrangements in line with regional and national guidance and support.

All staff within the trust graded at Agenda for Change pay scale Band 8a / equivalent very senior manager grade or above are required to declare any interests in line with national guidance, on an annual basis. The Register of Interests is reviewed by the Risk and Audit Committee and published on the trust website. The trust uses an automated process to seek appropriate declarations using the Electronic Staff Record and regular notifications are made to appropriate staff where declarations have not been made.

The trust involves its stakeholders in managing risk in the following ways:

- regular reporting to the Council of Governors on quality, finance and performance, with an emphasis on the reporting of risks, current concerns and complaints.

- Governor in person attendance at key meetings including the Board of Directors, or by videoconference at Quality Committee, Risk and Audit Committee, People and Culture Committee and Finance and Performance Committee; and stakeholder attendance at the Patient Experience Group which reports to the Quality Committee.

- regular meetings with the trust's principal commissioners and the Regional Office to benchmark quality performance against risks relating to service delivery.

- consulting with its membership on key strategic direction decisions as part of the implementation of the trust's strategy and enabling strategies (Clinical, People and Digital) and progression of the Integrated Care System.

- joint working with local and regional healthcare providers to shape optimum care pathways and mitigate risks and with other system partners in the development of an integrated approach across the care system.

- membership and wider patient and public engagement strategies.

Workforce

As an employer of 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 the 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. Delivery of the Workforce Race Equality Scheme plan for the trust is monitored by the People and Culture Committee and escalated to the Board. Reporting requirements have been satisfied in respect of the Workforce Race Equality Standard, Workforce Disability Equality Standard and the Gender Pay Gap reporting.

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

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

The foundation trust has undertaken risk assessments and has plans in place which take account of *'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 and has reviewed its Climate Change Adaption Plan 2020-25 in year. The Board of Directors approved the trust's Green Plan in 2021/22.

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

The trust produces detailed annual plans reflecting its service and operational requirements and its financial targets in respect of income, expenditure and capital investments. The plan incorporates the trust's plan for improving productivity and efficiency in order to minimise income losses, meet the national efficiency targets applied to all NHS providers and fund local investment proposals. Financial plans are approved by the Board, having been previously assessed by the Finance and Performance Committee.

In June 2021 the NHS published the System Oversight Framework for NHS organisations. The NHS System Oversight Framework for 2021/22 replaces the NHS Oversight Framework for 2019/20, which brought together arrangements for provider and commissioner oversight in a single document.

The NHS System Oversight Framework reflects an approach to oversight that reinforces system-led delivery of integrated care, in line with the vision set out in the NHS Long Term Plan, the White Paper – Integration and innovation: Working together to improve health and social care for all, and aligns with the priorities set out in the Operational Planning Guidance. This framework applies to all Integrated Care Systems (ICSs), Clinical Commissioning Groups (CCGs), NHS trusts and foundation trusts. The trust improved its position in year and was placed into segment 2.

The Board and its committees have received regular detailed reports covering finance, activity, capacity, workforce management, risk and performance throughout the year.

The Board is provided with assurance on the use of resources through a regular performance, activity and expenditure reports. The Finance and Performance Committee also undertakes a detailed review on a monthly basis. External auditors review the use of resources and a comprehensive value for money assessment each year as part of the annual audit programme. Internal audit resources are directed to areas where risk is attached or where issues have been identified. Any concerns on the economy, efficiency and effectiveness of the use of resources are well monitored and addressed in a timely and appropriate manner.

Information Governance

There have been a number of pan-Dorset projects which are helping organisations to move closer towards operating in an integrated way. The digital and information governance teams continue to work to remove possible barriers to a more join up provision of care across the region. Early steps are being taken to develop a Dorset-wide electronic patient record for enhanced care to our residents.

Emails sent to and from health and social care organisations must meet the secure email standard DCB1596 so that everyone can be sure that sensitive and confidential information is kept secure. As the trust does not use NHS.net emails, it is imperative that the trust maintains this standard. The trust successfully achieved this re-accreditation which ensures that emails between organisations either using NHS.net or that are similarly accredited to the standard are secure methods of communication, in particular for communication of personal and sensitive data. This ability to communicate securely helps to improve interoperability across the Integrated Care System and provides more unified healthcare throughout Dorset.

This is closely linked to the trust's ISO 27001 information security management system (ISMS) accreditation, evidencing a standards based approach, to assure both internal and external stakeholders of our ongoing commitment. Dorset County Hospital NHS Foundation Trust also satisfied the information security external audit to maintain the ISO 27001 standard, a significant achievement that demonstrates an enhanced level of information protection throughout the trust. An increase in the complexity of passwords for all Active Directory accounts was implemented in year, which further reduces the chances of cyber-attacks and puts the trust password policy in line with NHS Digital* requirements.

Dorset County Hospital was unaffected by the cyber-attack on health and care software supplier 'Advanced' in August 2022. This was because DCH uses a local copy rather than the Cloud solution which was where the breach occurred.

*For note, NHS Digital has now become part of NHS England and will no longer be known as NHS Digital.

Changes in the trust's senior management and leadership teams mean that there is a new Senior Information Risk Owner (SIRO) and Deputy SIRO responsible for information governance at Dorset County Hospital NHS Foundation Trust. The two Caldicott Guardians and the Data Protection Officer are unchanged.

There were three incidents reportable to Information Commissioner's Office (ICO) in year, these were reported using the Data Security and Protection Toolkit (DSPT) portal.

1. There was a serious cyber-attack in April 2022, which was quickly and successfully managed by the trust processes and DTI team. This was thoroughly investigated by an extended team including the trust, NHS Digital and NSCS, and resolved without harm.

Lessons were learned, and an improved password criteria was rolled out. NHS Digital and KPMG observed two similar attacks on NHS organisations, at the same time as DCH. NHS Digital and KPMG have praised the DTI department for their rapid prioritisation, return to operational effectiveness and commitment to round the clock remediation in response to the breach.

2. In November 2022 there was a serious data breach when a staff member inappropriately looked up a patient's details and medical event and shared them with a colleague. This is currently being investigated and managed by the Human Resources team.
3. In March 2023 a document containing staff names and strike status went missing. This was reported and later found, securely handled and returned to the staff member. Lessons were learned and the matter has been closed by the ICO.

Data Quality and Governance

Governance and Leadership

The Board is actively engaged in quality improvement and is assured that quality governance is subject to rigorous challenge through Non-Executive Director engagement and Chairmanship of the key board committees. The Board membership includes the Executive role of Chief Information Officer and the Chief Finance Officer is the accountable Senior Information and Reporting Officer. The Information Governance Manager / Data Protection Officer leads the operational delivery of the Data Security and Protection Toolkit and other regulatory requirements across the trust.

The role of policies and plans in ensuring quality data

The Information Strategy recognises data quality as one of the five core elements of the Information Maturity Model. As the trust becomes increasingly paper light, information plays an integral part of the processes to deliver effective and timely healthcare across the organisation. Therefore, excellent data quality is pivotal in order to ensure that the data from different systems can be seamlessly joined together and provided to healthcare professionals in a timely, secure and accurate manner.

Systems and Processes

Specific actions have been taken to strengthen the existing processes around data quality throughout the year, building on the data quality processes and procedures that have been in place for some time in the trust. Current processes and procedures, as well as recent initiatives to improve data quality, include the following:

- **Information Assurance:** The Data Quality Management Group has provided a robust mechanism to monitor and control data quality measures for the clinical information systems. This group is an Information Assurance Group that will extend data quality assurance to cover all aspects of data quality within the trust including the data items reported in the trust dashboards. In addition, the Information Assurance Manager, reporting to the Information Assurance Group, works with divisional and change management teams to educate, reinforce and monitor data quality and information management processes across the trust for all patient based applications.

- **Governance.** Governance improvements around the Information Assurance Group have been made in order to allow other groups such as the Clinical Coding Task and Finish Group and the Digital Portfolio Group to escalate all data quality issues to the Information Assurance Group. Finally, bi- monthly highlight reports to Digital Portfolio Programme Board provide appropriate visibility on any major data quality issues.

- **Information Dashboards.** The performance dashboards have been kept under review and a process of continual development and improvement has been implemented. Increasingly, the committees of the Board have been receiving performance dashboards in SPC format. Specific dashboards are available for respective Board committees and divisional services.

- **Ownership.** Improving ownership of data quality issues is a long-term objective of the Information Strategy. The Information Assurance Group ensures that ownership and responsibilities are agreed and supported at executive level and cascaded through divisional directors and managers who hold staff accountable. The two Divisional Information Analysts work closely with the senior divisional management and clinical teams to identify and resolve any data quality issues that might arise.

- **Regular audit and external assurance**. Audits and in-depth analysis of data quality are conducted in a number of areas including: mortality; specialist clinical coding areas (on a regular, randomly selected basis as per national best practice recommendations); in additional to departmental clinical audits. Key issues are discussed at the Information Assurance Group to ensure a culture of continuous data quality improvement.

- **Information Systems**. As more information is captured in our information systems and business processes change accordingly, it is important to understand the data quality implications from any systems change. The Information Assurance Group continues to work closely with system managers and key business users to address any data quality issues. Of particular note has been the trust's contribution to the Dorset Care Record in sharing core clinical information with health and social care partners in Dorset. We now have greater visibility of data quality reporting across partner organisations which has shown good performance for DCH particularly with regard to accuracy of NHS numbers which is the key patient identifier in bringing records together from different care settings across Dorset. Where data quality issues are identified they are rectified quickly with feedback to users of source systems to reinforce the importance of accuracy and completeness in recording of patient data.

Quality Account
Production of the Quality Report 2022/23 will not be subject to external audit and there is no requirement for this report to be submitted with the Annual Report and Accounts for 2022/23.

Well Led Review
The trust commissioned the services of PriceWaterHouseCoopers during November and December 2021 to undertake an independent external review of the Trust against the NHS England's Well Led Framework. The review identified that:
The Board is operating at the higher end of NHS Trust Board effectiveness. The Board is stable, diverse and has a good mix of skills. The strategic refresh (undertaken in year) has clarified the strategic direction of the Trust.

The report concludes that the trust has an open and inclusive culture focussed on continuous improvement and innovation, providing training and career development opportunities for staff and that the divisional and governance structures provided clear lines of accountability. The need to refocus on the underlying system and trust deficit positions was highlighted alongside the need to assure the effectiveness of divisional governance and escalation processes.

An action plan was approved by the Board following the review which detailed areas for further development. New members of the Board are familiar with the actions within the plan which is monitored by the Executive Management team and the Board on a regular basis. The Finance and Performance Committee established a Non-Executive Director led working group to focus on the trust's actins to deliver cost improvements and efficiencies and to reduce expenditure on high-cost agency. Additional actions and focussed reporting are incorporated into regular committee and Board reporting.

A comprehensive audit of care group and divisional governance arrangements was also undertaken in year and demonstrated that effective governance systems and processes were in place across divisional services. Ongoing service pressures and industrial action has impacted the ability of service representatives to fully participate in board committees in year and committee Chairs and lead executives continue to monitor the impact and assure safe service provision and risk mitigation.

Review of Effectiveness

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

The trust continually seeks to improve the effectiveness of its systems of internal control and put action plans in place to meet any identified shortfalls. The trust has undertaken a review of the Governance Framework in year and implemented arrangements to strengthen monitoring and escalation reporting arrangements and has also reviewed its appetite for risk. Trust Board meetings are open to members of the public and Board Committees are attended by nominated governor observers. The Board reporting cycle ensures that the Board receives regular reports from its committees, operational reports from Executives, the Board Assurance Framework and bimonthly Risk Register and planned reports on business and other operational issues. The Escalation Report process from Board committees to Board immediately following each meeting, has ensured timely escalation of risks and issues for the Board's attention. The planned review of strategic risks against the revised Risk Appetite Statement will further strengthen mitigation actions.

The governance structure is as follows:

The Board: The powers reserved to the Board are broadly, regulation and control; strategy; business plans and budgets; risk management; financial performance and reporting and audit arrangements.

Risk and Audit Committee: Provides assurance to the Board as to the effectiveness of the trust's systems of governance and control across the full range of the trust's responsibilities. It reviews the establishment and maintenance of an effective system of integrated governance, risk management, finance, counter fraud, security management, and internal control across the whole of the organisation's activities, both clinical and non-clinical. The committee utilises the Board

Assurance Framework, risk register, internal and external audit reports, the work of the Quality Committee and the ability to question the Chief Executive regarding the Annual Governance Statement to support its work.

Finance and Performance Committee: Provides assurance to the Board and does not remove the requirement for the Board to monitor financial and operational performance. The committee provides scrutiny and makes recommendations to the Board to assist in decision making. Specific areas scrutinised by the Finance and Performance Committee include financial planning, operational performance, business case assessments and the delivery of efficiency and cost improvement programmes. The Finance and Performance Committee is able to approve business cases within delegated limits. The establishment of the Finance Subgroup in year provided greater scrutiny and assurances to the Finance and Performance Committee on key financial challenges, in particular, the Cost Improvement Programme and reductions in high-cost agency expenditure.

Quality Committee: provides assurance that the trust has an effective framework within which it can work to improve and assure the quality and safety of services it provides in a timely, cost-effective way. The committee assesses, reviews and monitors performance, including safer staffing and mortality data which is then published on the trust's website, internal control, external validation and assessment, the annual Quality Report and plans and national guidance and policy.

People and Culture Committee: The purpose of the committee is to consider matters relating to Workforce Planning and development, efficiency, human resources policy and the trust's People Strategy. It also has responsibility for leadership development and talent management; recruitment and retention; education and training; people policies, processes and systems; diversity and inclusion and health and wellbeing. The committee ensures that workforce strategies and staffing systems are in place that assure the Board that staffing processes are safe, sustainable and effective.

The committees act as a means of internal assurance for compliance against the Care Quality Commission's fundamental standards of quality and safety and safe, caring, effective and well-led domains.

My view is further informed by:

- Opinions and reports by Internal Audit, who work to a risk based annual plan. The Head of Internal Audit Opinion for 2022/23 was as follows: "Overall, we are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently".
- Opinion and reports from the trust's External Auditors
- Monthly reports to NHS England
- Full compliance with the Care Quality Commission essential standard for quality and safety for all regulated activities across all locations
- Results of patient and staff surveys
- Investigation reports and action plans following serious incidents

- The annual review of committee effectiveness and in year revision of the trust's governance framework.
- Council of Governors feedback
- Clinical audit reports
- Trust evaluations and responses to national peer review findings and reports.
- Outcome of regulatory reviews by the Medicines and Healthcare Regulatory Authority and the Care Quality Commission.

Conclusion
The trust has been required to operate flexibly throughout the year, responding to significant operational service pressures, workforce challenges and industrial action. The Board has adapted its governance approach in line with previous national guidance in order to focus on key risks to quality, patient safety, staff wellbeing and recovery as service operational pressures and the operating environment has dictated.

No significant internal control issues have been identified for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Matthew Bryant
Chief Executive
14 June 2023

The Accountability Report was approved by the Board of Directors on 12 June 2023 and signed on its behalf by

Matthew Bryant
Chief Executive
14 June 2023

Independent Auditors Report

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF DORSET COUNTY HOSPITAL NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Dorset County Hospital 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 its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its 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 Risk and Audit Committee and internal audit and inspection of policy documentation 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 Risk 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, 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 because of the non-complex recognition due to the nature of the revenue, which limits the opportunities to fraudulently misstate revenue.

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 non-pay expenditure recognition, particularly in relation to year-end accruals.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings to cash and borrowings, unusual postings to accruals in January 2023 to March 2023 and journals posted by individuals who do not usually create or post journals.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Inspecting cash payments and purchase invoices in the period prior to and following 31 March 2023 to verify expenditure had been recognised in the correct accounting period.
- Performing a year on year review of accruals to identify whether the accruals balance at 31 March 2023 is 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 and other management (as required by auditing standards), and discussed with the Accounting Officer and other management 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.

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.

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

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

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

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit

procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 page 96, 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 its 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 page 105, the Accounting Officer is responsible forensuring that the Trust has put in place proper arrangements for securing economy, efficiency andeffectiveness 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 Dorset County Hospital 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.

Rees Batley
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

14 June 2023

Foreword to the Accounts

These accounts for the year ended 31st March 2023 have been prepared by Dorset County Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and comply with the annual reporting guidance for NHS Foundation Trusts within the Department of Health and Social Care Group Accounting Manual 2022/23.

Dorset County Hospital NHS Foundation Trust's Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25(4) (a) of the National Health Service Act 2006.

Matthew Bryant
Chief Executive
14 June 2023

Statement of Comprehensive Income for the year ended 31st March 2023

		Group		Trust	
		2022/23	2021/22	**2022/23**	2021/22
	Note	**£000**	£000	**£000**	£000
Operating income from patient care activities	3	256,409	230,615	256,409	230,615
Other operating income	4	27,547	25,928	27,639	26,018
Operating expenses	5	(284,861)	(253,280)	(285,084)	(253,394)
Operating (deficit)/surplus		**(905)**	**3,263**	**(1,036)**	**3,239**
Finance costs:					
Finance income	10	539	27	524	27
Finance expenses	11	(556)	(265)	(556)	(265)
PDC dividends charge		(3,937)	(3,069)	(3,937)	(3,069)
Net finance costs		**(3,954)**	**(3,307)**	**(3,969)**	**(3,307)**
Losses on disposal of assets	12	(18)	(4)	(18)	(4)
Corporation tax expense		(28)	(5)	-	-
Deficit for the year		**(4,905)**	**(53)**	**(5,023)**	**(72)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairment of property, plant and equipment		-	(29)	-	(29)
Revaluation gains on property, plant & equipment		3,728	25,061	3,728	25,061
Total comprehensive income for the year		**(1,177)**	**24,979**	**(1,295)**	**24,960**

The notes on pages 121 to 159 form part of these accounts.

Statement of Financial Position as at 31st March 2023

		Group		Trust	
		31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	Note	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	14	12,324	12,294	12,324	12,294
Property, plant and equipment	15.4	154,375	141,449	154,375	141,447
Right of use assets	16	21,963	-	21,963	-
Trade and other receivables	18.1	809	579	809	579
Total non-current assets		**189,471**	**154,322**	**189,471**	**154,320**
Current assets					
Inventories	17	3,525	2,875	3,363	2,686
Trade and other receivables	18.1	14,041	7,101	14,129	6,992
Cash and cash equivalents	19	18,914	25,951	18,302	25,827
Total current assets		**36,480**	**35,927**	**35,794**	**35,505**
Current liabilities					
Trade and other payables	20	(33,848)	(35,791)	(33,576)	(35,663)
Borrowings	21	(1,561)	(343)	(1,561)	(343)
Provisions	22	(38)	(49)	(38)	(49)
Other liabilities	23	(4,545)	(3,119)	(4,545)	(3,119)
Total current liabilities		**(39,992)**	**(39,302)**	**(39,720)**	**(39,174)**
Total assets less current liabilities		**185,959**	**150,947**	**185,545**	**150,651**
Non-current liabilities					
Borrowings	21	(30,008)	(8,238)	(30,008)	(8,238)
Provisions	22	(284)	(278)	(284)	(278)
Total non-current liabilities		**(30,292)**	**(8,516)**	**(30,292)**	**(8,516)**
Total assets employed		**155,667**	**142,431**	**155,253**	**142,135**
Financed by taxpayers' equity:					
Public dividend capital		137,245	122,832	137,245	122,832
Revaluation reserve		54,742	51,014	54,742	51,014
Income and expenditure reserve		(36,320)	(31,415)	(36,734)	(31,711)
Total taxpayers' equity:		**155,667**	**142,431**	**155,253**	**142,135**

The financial statements on pages 117 to 159 were approved by the Board on 12 June 2023 and signed on its behalf by:

Matthew Bryant
Chief Executive
14 June 2023

Statement of Changes in Taxpayers' Equity

Group	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	**142,431**	**122,832**	**51,014**	**(31,415)**
Deficit for the year	**(4,905)**	-	-	(4,905)
Revaluations on right of use assets	**920**	-	920	-
Revaluations on property, plant and equipment	**2,808**	-	2,808	-
Public Dividend Capital	**14,413**	14,413	-	-
Taxpayers' equity at 31 March 2023	**155,667**	**137,245**	**54,742**	**(36,320)**
Taxpayers' equity at 1 April 2021	**97,903**	103,283	25,982	(31,362)
Deficit for the year	**(53)**	-	-	(53)
Net impairments on property, plant and equipment	**(29)**	-	(29)	-
Revaluations on property, plant and equipment	**25,061**	-	25,061	-
Public Dividend Capital	**19,549**	19,549	-	-
Taxpayers' equity at 31 March 2022	**142,431**	**122,832**	**51,014**	**(31,415)**

Trust	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	**142,135**	**122,832**	**51,014**	**(31,711)**
Deficit for the year	**(5,023)**	-	-	(5,023)
Revaluations on right of use assets	**920**	-	920	-
Revaluations on property, plant and equipment	**2,808**	-	2,808	-
Public Dividend Capital	**14,413**	14,413	-	-
Taxpayers' equity at 31 March 2023	**155,253**	**137,245**	**54,742**	**(36,734)**
Taxpayers' equity at 1 April 2021	**97,626**	103,283	25,982	(31,639)
Deficit for the year	**(72)**	-	-	(72)
Net impairments on property, plant and equipment	**(29)**	-	(29)	-
Revaluations on property, plant and equipment	**25,061**		25,061	-
Public Dividend Capital	**19,549**	19,549	-	-
Taxpayers' equity at 31 March 2022	**142,135**	**122,832**	**51,014**	**(31,711)**

The Revaluation Reserve consists of £53,822k (£51,014k at 31 March 2022) relating to property, plant and equipment and £920k relating to right of use assets.

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows for the year ended 31st March 2023

	Group		Trust	
	2022/23	2021/22	**2022/23**	2021/22
	£000	£000	**£000**	£000
Cash flows from operating activities				
Operating (deficit)/surplus	(905)	3,263	(1,036)	3,239
Depreciation and amortisation	10,479	7,345	10,478	7,343
Impairments and reversals	5,006	43	5,006	43
Income recognised in respect of capital donations (cash and non-cash)	(494)	(288)	(494)	(288)
Increase in trade and other receivables	(7,087)	(609)	(7,286)	(604)
Increase in inventories	(650)	(265)	(677)	(230)
Increase in trade and other payables	2,529	1,392	2,406	1,282
Increase in other liabilities	1,426	1,054	1,426	1,054
Decrease in provisions	(8)	(513)	(8)	(513)
Corporation tax paid	(5)	(23)	-	-
Net cash generated from operations	**10,291**	**11,399**	**9,815**	**11,326**
Cash flows from investing activities				
Interest received	456	12	444	11
Purchase of intangible assets	(2,929)	(2,994)	(2,929)	(2,994)
Purchase of property, plant and equipment	(24,065)	(16,926)	(24,065)	(16,926)
Sales of property, plant and equipment	39	52	39	52
Receipt of cash donations to purchase capital assets	494	237	494	237
Net cash used in investing activities	**(26,005)**	**(19,619)**	**(26,017)**	**(19,620)**
Cash flows from financing activities				
Public dividend capital received	14,413	19,549	14,413	19,549
Capital element of finance lease obligations	(967)	(142)	(967)	(142)
Interest Paid	(97)	(97)	(97)	(97)
Interest element of finance lease obligations	(416)	(150)	(416)	(150)
PDC dividends paid	(4,256)	(2,687)	(4,256)	(2,687)
Net cash used in financing activities	**8,677**	**16,473**	**8,677**	**16,473**
(Decrease)/Increase in cash and cash equivalents	**(7,037)**	**8,253**	**(7,525)**	**8,179**
Cash and cash equivalents at 1 April	25,951	17,698	25,827	17,648
Cash and cash equivalents at 31 March	**18,914**	**25,951**	**18,302**	**25,827**

Notes to the Financial Statements

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 (DHSC GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the DHSC 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 DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below.

These have been applied consistently in dealing with items considered material in relation to the accounts.

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

1.1 Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the financial statements, the Trust is required to make estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets and liabilities. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from prior estimates and the estimates and underlying assumptions are continually reviewed.

The key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Valuation of land and buildings
Land and buildings are included in the Trust's statement of financial position at current value in existing use. The assessment of current value represents a key source of uncertainty. The Trust uses an external professional valuer to determine current value in existing use, using modern equivalent asset value methodology and market value for existing use for non-specialised buildings.

Of the £136.4 million net book value of land and buildings subject to valuation, £108.1 million relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced.

It is possible that inflation will affect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient information to indicate what the impact of this will be.

Depreciation of property, plant and equipment and amortisation of computer software
The Trust exercises judgement to determine the useful lives and residual values of property, plant and equipment and computer software. Depreciation and amortisation is provided so as to write down the value of these assets to their residual value over their estimated useful lives.

1.2 Consolidation

1.2.1 Subsidiaries

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

Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust (including where they report under UK FRS 102) this is to ensure that the group and Trust accounting policies reflect a consolidated position. Appropriate adjustments are made where the subsidiary's accounting date is not coterminous. The amounts consolidated are drawn from the financial statements of DCH SubCo Ltd. Intra-entity balances, transactions and gains/losses are eliminated in full on consolidation.

The Trust wholly owns DCH SubCo Ltd which forms part of the consolidated accounts. DCH SubCo Ltd provides outpatient pharmacy services. Its turnover for the period ended 31st March 2023 was £6.0m and its gross assets at 31 March 2023 totalled £0.9m.

The Trust has established that, as it is the corporate trustee of Dorset County Hospital NHS Foundation Trust Charitable Fund, it effectively has the power to exercise control of this charity so as to obtain economic benefits. However the assets, liabilities and transactions are immaterial in the context of the Trust and therefore it has not been consolidated. Details of balances and transactions between the Trust and the charity are included in the related parties' notes.

1.2.2 Joint Ventures

Arrangements over which the Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

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

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

The Trust has one joint venture DCH Estates Partnership LLP OC418519, which is a commercial partnership with Partnering Solutions (Dorset) Ltd (Interserve Prime) creating a Strategic Estates Partnership. During 2022/23 no trading took place between the Group and the joint venture.

1.3 Income

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The DHSC 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 service is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The 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 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 the tariff 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 accounted 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.

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

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.

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

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

1.4 Expenditure on employee benefits

1.4.1 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.

1.4.2 Pension costs

Payments to defined contribution pension schemes (including defined benefit schemes that are accounted for as if they were a defined contribution scheme) are recognised as an expense as they fall due.

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

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

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

The Foundation Trust does not have any employees that are members of the Local Government Superannuation Scheme and therefore, does not pay employer contributions into this scheme.

1.4.3 Termination Benefits
Staff termination benefits are provided for in full when there is a detailed formal termination plan and there is no realistic possibility of withdrawal by either party.

1.5 Expenditure on other goods and services
Expenditure on goods and services is recognised 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 when it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, plant and equipment

1.6.1 Recognition
Property, plant and equipment is capitalised if:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually it cost at least £5,000; or
- collectively has a cost of at least £5,000 and individually a cost of more than £250;
- the assets are functionally interdependent, with broadly simultaneous purchase dates, which are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

The component parts of each significant Trust building are depreciated as a group, as permitted by IAS 16, unless a component has a significantly different UEL and is deemed by the Trust to be significant, in which case it is depreciated separately over its own economic useful life.

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

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Non-specialised buildings – market value for existing use
- land and specialised buildings – Modern equivalent asset value

All land and buildings are revalued using professional valuations in accordance with accounting standard IAS 16 Property, Plant and Equipment every five years. A three year interim valuation is also carried out. Additional valuations are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period.

Professional valuations are carried out by the Trust's external valuer (Avison Young). The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (ICS) Appraisal and Valuation Manual.

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

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

Until 31st March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. Indexation ceased from 1st April 2008. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment, 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.

The last full valuation survey was assessed by the valuer of Avison Young at 31 March 2022 with a desktop valuation undertaken at 31 March 2023.

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 expenses.

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

An impairment that arises from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating expenses 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.

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

1.7 Intangible assets

1.7.1 Recognition

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

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

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Expenditure on development is capitalised only where all of the following have been demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset is identified;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

1.7.2 Measurement

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

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

An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the definitions of IAS 40 Investment Properties or IFRS 5 Assets Held for Sale.
Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

1.8 Depreciation and amortisation

Freehold land is considered to have an infinite life and is not depreciated. Properties under construction are not depreciated until brought into use.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

The following table details the useful economic lives currently used for the main classes of assets:

Asset class	Min Life Years	Max Life Years
Buildings exc. dwellings	5	84
Dwellings	29	79
Plant & machinery	3	20
Information technology	3	15
Furniture & fittings	5	15
Intangible assets	3	19

Property, plant and equipment which have been re-classified as 'held for sale' cease to be depreciated upon the re-classification.

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

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

1.9 Donated 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 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.

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

1.10 De-recognition

Assets intended for disposal are reclassified as 'Held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

1.11 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.

1.11.1 Trust as lessee

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.

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.

1.11.2 Trust as 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.

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.

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.

1.12 Initial Application of IFRS 16

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.

1.12.1 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 and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. 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.

1.12.2 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.

1.12.3 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.

1.13 Inventories

Inventories are valued at the lower of cost and net realisable value using the 'first-in first-out' formula. These are considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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

1.14 Cash and cash equivalents

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

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

1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of that amount. The amount recognised in the Statement of Financial Position is the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

Term	Years	Nominal rate	Prior year rate
Short	Up to 5	3.27%	Minus 0.47%
Medium	After 5 up to 10	3.20%	0.70%
Long	After 10 up to 40	3.51%	0.95%
Very long	Exceeding 40	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.70% in real terms (prior year: minus 1.30%).

1.16 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. The contribution is charged to expenditure. 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 22.2 but is not recognised in the Trust's accounts.

1.17 Non-clinical risk pooling

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

1.18 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, these are disclosed where an inflow of economic benefits is probable. The Trust currently has no contingent assets to disclose.

Contingent liabilities are not recognised, but are disclosed in note 25 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.19 Public dividend capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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 Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) 111 and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) approved expenditure on current year COVID-19 capital assets, (iv) assets under construction for nationally directed schemes and (v) any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing net relevant assets.

In accordance with the requirement laid down by the DHSC (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.

1.20 Financial instruments and financial liabilities

1.20.1 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 DHSC 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.

1.20.2 Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

1.20.3 Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as 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.

1.20.4 Impairment of financial assets

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

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

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

1.20.5 Derecognition

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

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

1.21 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.22 Corporation Tax

Section 148 of the Finance Act in 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trusts activities are related to core healthcare and are not subject to tax.

Private patient activities are covered by section 14(1) of the Health and Social Care (Community Health and Standards) Act 2003 and not treated as a commercial activity and are therefore tax exempt; and
Other trading activities (including car parking and staff canteens) are ancillary to the core activities and are not deemed to be entrepreneurial in nature.

However, the Trust's commercial subsidiary is subject to corporation tax, and this has been included in the group accounts.

1.23 Foreign currencies

The Trust's functional currency and presentational currency 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 transaction.
Exchange gains and losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However they are disclosed in Note 29 to the accounts in accordance with the requirements of the HM Treasury's Financial Reporting Manual.

1.25 IFRS Standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following standards and interpretations to be applied in 2022/23. These standards are still subject to HM Treasury FReM adoption:

IFRS 14 Regulatory Deferral Account – Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC Bodies.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not therefore permitted

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

The Trust has not early adopted any new accounting standards, amendments or interpretations, which is in line with guidance contained in the DHSC GAM 2022/23.

1.25 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with general 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 NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.26 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.

1.27 Going concern

International Accounting Standard 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.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the going concern period, being 12 months from the date of signing this Annual Report.

In preparing the financial statements, the Board of Directors have considered the Trust's overall financial position against the requirements of IAS1.

The Trust is reporting a deficit of £4.9 million for the year ended 31 March 2023 with a closing cash position of £18.9 million. The Trust anticipates an operating surplus of £0.3 million in 2023/24 and a closing cash position of £18.1 million. It is also anticipated that will remain unchanged during the 1st quarter of 2024/25.

The directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

2. Segment analysis

The Trust has considered the requirements in IFRS 8 for segmental analysis. Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these 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 customer for their products and services;
- The methods used to distribute their products or provide their services; and
- The nature of the regulatory environment.

The Trust therefore has just one segment, "healthcare". Analysis of income by different activity types and sources is provided in note 3.

3. Income from patient care activities

Analysis by activity	**Group**		**Trust**	
	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000	**Year ended 31 March 2023 £000**	Year ended 31 March 2022 £000
Aligned payment & incentive (API) contract income/system block contract*	225,849	203,032	225,849	203,032
High costs drugs income from commissioners	10,108	15,739	10,108	15,739
Other NHS clinical income	344	1,132	344	1,132
Private patient income	963	982	963	982
Elective recovery fund	6,554	2,962	6,554	2,962
Additional pension contribution central funding**	6,674	6,245	6,674	6,245
Other clinical income***	5,917	523	5,917	523
Total	**256,409**	230,615	**256,409**	230,615
Income from Commissioner Requested Services	255,041	229,110	255,041	229,110
Income from non-Commissioner Requested Services	1,368	1,505	1,368	1,505
Total	**256,409**	230,615	**256,409**	230,615

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation. https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

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

***The Other clinical income figure includes central funding for the agenda for change pay award. In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Commissioner-requested services are services which local commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. Any organisation providing a commissioner-requested service has to continue offering the service unless it can obtain agreement from NHS Improvement and the commissioners to stop. It cannot dispose of relevant assets used to provide the service without NHS Improvement consent and it must pay into a risk pool that will fund services in the event of financial failure.

Analysis by source	**Group**		**Trust**	
	Year ended	Year ended	**Year ended**	Year ended
	31 March	31 March	**31 March**	31 March
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
NHS - Foundation Trusts	244	1,031	244	1,031
NHS - NHS England	48,588	41,522	48,588	41,522
NHS - CCGs	48,545	186,457	48,545	186,457
NHS - ICBs	157,564	-	157,564	-
NHS - Other	100	101	100	101
Non NHS - Private patients	963	982	963	982
Non NHS - Overseas patients	29	57	29	57
NHS Injury Scheme	358	391	358	391
Non NHS - Other	18	74	18	74
Total	**256,409**	230,615	**256,409**	230,615

NHS Injury Scheme income relating to the 2022/23 financial year is subject to a provision for doubtful debts of 24.86% (2021/22: 23.76%) to reflect expected rates of collection.

The Group and Trust overseas patient income for the year amounted to £29k (2021/22 £57k). Cash received amounted to £15k (2021/22 £52k) in respect of current and previous years' income. The amounts written off in respect of current and prior years amounted to £nil (2021/22 £nil).

4. Other operating income

	Note	Group Year ended 31 March 2023 £000	Group Year ended 31 March 2022 £000	Trust Year ended 31 March 2023 £000	Trust Year ended 31 March 2022 £000
Research and development		807	920	807	920
Education and training		11,785	10,121	11,785	10,121
Education and training - notional income from apprenticeship fund		710	590	710	590
Received from NHS Charities: Cash donations		494	237	494	237
Received from NHS Charities: Contributions to expenditure		38	17	38	17
Received from other Charities: Contributions to expenditure		9	-	9	-
Donated equipment from DHSC for COVID response (non-cash)		-	51	-	51
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response		539	584	539	584
Non-patient care services to other bodies		9,767	10,558	9,852	10,638
Reimbursement and top up funding		480	870	480	870
Staff recharges		359	426	359	430
Operating leases - Minimum lease receipts	5	92	88	99	95
Car parking		164	199	164	199
Catering		548	395	548	395
Pharmacy sales		83	51	83	51
Staff accommodation rentals		584	493	584	493
Non-clinical services recharged to other bodies		4	12	4	12
Clinical excellence awards		95	100	95	100
Other income generation schemes		70	55	70	55
Other income		919	161	919	160
Total		**27,547**	25,928	**27,639**	26,018

5. Operating lease income and future receipts

Lease receipts recognised as an income in year:	Group Year ended 31 March 2023 £000	Group Year ended 31 March 2022 £000	Trust Year ended 31 March 2023 £000	Trust Year ended 31 March 2022 £000
Minimum lease receipts	92	88	99	95
Total minimum lease payments	**92**	88	**99**	95
Of which:				
Income generated from owned assets	92	88	92	95
Future minimum lease receipts due:				
Not later than one year	86	86	93	93
Later than one year and not later than five years	258	344	258	344
Total	**344**	430	**351**	437

6. Operating expenses

	Note	Group Year ended 31 March 2023 £000	Group Year ended 31 March 2022 £000	Trust Year ended 31 March 2023 £000	Trust Year ended 31 March 2022 £000
Employee expenses	7.1	185,761	165,742	185,681	165,667
Employee expenses - Non-executive directors		143	138	143	138
Purchase of healthcare from NHS and DHSC bodies		8,089	7,209	8,089	7,209
Purchase of healthcare from non-NHS and non-DHSC bodies		8,371	8,836	14,338	15,121
Supplies and services - clinical (excluding drug costs)		19,028	18,185	19,028	18,185
Supplies and services - clinical utilsation of consumables donated from DHSC for COVID response		539	584	539	584
Supplies and services - general		2,225	1,982	2,225	1,982
Drug costs		23,774	21,816	18,128	15,839
Inventories written down (net, including drugs)		8	9	8	9
Consultancy costs		89	195	83	186
Establishment		1,702	1,512	1,701	1,512
Premises - Business rates payable to Local Authorities		1,203	1,000	1,203	1,000
Premises - Other		6,849	6,944	6,849	6,944
Transport (business travel only)		436	398	436	398
Transport (other)		524	591	524	591
Depreciation on property, plant and equipment		9,242	6,511	9,241	6,509
Amortisation on intangible assets		1,237	834	1,237	834
Impairments net of (reversals)	13	5,006	43	5,006	43
Movement in credit loss allowance		1	-	1	-
Change in provisions discount rate		(20)	3	(20)	3
External audit - statutory audit services*		75	63	69	58
Internal Audit Costs - (not included in employee expenses)		65	76	65	76
Clinical negligence - NHS Resolution (premium)		5,401	5,619	5,401	5,619
Legal fees		89	55	89	55
Insurance		116	120	116	120
Research and Development		33	24	33	24
Training courses and conferences		1,213	1,129	1,213	1,129
Education and training - notional expenditure funded from apprenticeship fund		710	590	710	590
Lease -short term lease (<= 12 months)		123	-	123	-
Lease - low value assets (<£5k, excluding short term leases)		4	-	4	-
Operating lease - comparative only	24.3	-	173	-	173
Car parking and security		1,538	1,093	1,538	1,093
Losses, ex gratia & special payments		7	9	7	9
Other services		767	1,107	767	1,107
Other		513	690	509	587
Total		**284,861**	253,280	**285,084**	253,394

*no other remuneration was paid to the auditor, except for the amounts disclosed above

7. Employee expenses and numbers

7.1 Employee expenses

	Group		Trust	
	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000	**Year ended 31 March 2023 £000**	Year ended 31 March 2022 £000
Staff & executive directors	183,751	163,718	183,671	163,643
Research and development staff	887	924	887	924
Education and training staff	1,102	1,078	1,102	1,078
Redundancy	17	17	17	17
Early retirements	4	5	4	5
	185,761	165,742	**185,681**	165,667
Salaries and wages	136,509	121,585	136,440	121,518
Social security costs	14,428	11,978	14,420	11,972
Apprenticeship levy	682	606	682	606
Employer contributions to NHS Pension scheme	15,219	14,319	15,219	14,319
Employer contributions paid by NHSE on provider's behalf (6.3%)	6,674	6,245	6,674	6,245
Pension cost - other	66	49	63	47
Agency and contract staff	13,898	12,086	13,898	12,086
Termination benefits	136	110	136	110
Less: Staff costs capitalised as part of assets	(1,851)	(1,236)	(1,851)	(1,236)
Employee benefits expense	**185,761**	165,742	**185,681**	165,667

Salaries and wages include the cost of amounts accrued in respect of holiday earned by employees due to their service, but not taken, as required under IAS 19.

The amount of Employer's pension contributions payable in the year ended 31 March 2023 was £21,959k (2021/22: £20,613k), £6,674k of this figure is paid by NHSE on behalf of the Trust. Of this total, an amount of £1,252k (2021/22: £1,215k) was unpaid at the reporting date.

7.2 Retirement benefits

NHS Pension Scheme

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

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

8. Retirements due to ill-health

During 2022/23 there were two cases (2021/22: two cases) of early retirement from the Trust agreed on grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £131k (2021/22: £75k). The cost of ill-health retirements is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

9. Salary and pension entitlement of directors and senior managers

9.1 Directors remuneration

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
	£000	£000	**£000**	£000
Directors remuneration - Salaries and wages	936	997	936	997
Employers pension contributions in respect of directors	94	123	94	123
	1,030	1,120	**1,030**	1,120
	Number	Number	**Number**	Number
The total number of directors to whom retirement benefits were accruing under:				
Defined benefit schemes	8	7	8	7

Detailed disclosures of the remuneration and pension entitlements of each director are set out on pages 44 to 56 of the Remuneration Report.

10. Finance income

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
	£000	£000	**£000**	£000
Interest on bank accounts	539	27	524	27
Total	**539**	27	**524**	27

11. Finance expenses

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
	£000	£000	**£000**	£000
Loans from the Department of Health	97	97	97	97
Finance Leases	456	170	456	170
Total interest expense	553	267	553	267
Unwinding of discount on provisions	3	(2)	3	(2)
Total finance expenses	**556**	265	**556**	265

12. Gains/(losses) on disposals

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
	£000	£000	**£000**	£000
Gains on disposal of other property, plant and equipment	32	43	32	43
Losses on disposal of other property, plant and equipment	(50)	(18)	(50)	(18)
Losses on return of donated COVID assets to DHSC	-	(29)	-	(29)
Total (losses) on disposal of assets	**(18)**	(4)	**(18)**	(4)

13. Impairment of non-current assets

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
Impairment	**£000**	£000	**£000**	£000
Abandonment of assets in course of construction	-	12	-	12
Other	153	-	153	-
Changes in market price*	5,021	313	5,021	313
Reversal of impairments*	(168)	(253)	(168)	(253)
Total impairments	**5,006**	72	**5,006**	72

* Resulting from the revaluation of land and buildings as at 31 March 2023.

Total impairments have been charged/(credited) to the following lines in the Statement of Comprehensive Income.

	Group		Trust	
	Year ended 31 March 2023	Year ended 31 March 2022	**Year ended 31 March 2023**	Year ended 31 March 2022
	£000	£000	**£000**	£000
Operating expenses	5,006	43	5,006	43
Revaluation reserve	-	29	-	29
	5,006	72	**5,006**	72

14. Intangible assets

14.1 Intangible assets - 2022/23

	Group and Trust		
	Software licences	**Asset under construction**	**Total**
		£000	£000
Cost or valuation at 1 April 2022	**12,554**	**5,872**	**18,426**
Additions - purchased	948	472	1,420
Reclassifications	71	(71)	-
Disposals	(637)	-	(637)
Cost or valuation at 31 March 2023	**12,936**	**6,273**	**19,209**
Amortisation at 1 April 2022	**6,132**	**-**	**6,132**
Provided in the year	1,237	-	1,237
Impairments charged to operating expenses	153	-	153
Disposals	(637)	-	(637)
Amortisation at 31 March 2023	**6,885**	**-**	**6,885**
Net book value total at 31 March 2023	**6,051**	**6,273**	**12,324**
Net book value total at 1 April 2022	**6,422**	**5,872**	**12,294**

14.2 Intangible assets - 2021/22

	Group and Trust		
	Software licences	**Asset under construction**	**Total**
		£000	£000
Cost or valuation at 1 April 2021	**10,574**	**3,261**	**13,835**
Additions - purchased	579	4,125	4,704
Reclassifications	1,514	(1,514)	-
Disposals	(113)	-	(113)
Cost or valuation at 31 March 2022	**12,554**	**5,872**	**18,426**
Amortisation at 1 April 2021	**5,411**	**-**	**5,411**
Provided in the year	834	-	834
Disposals	(113)	-	(113)
Amortisation at 31 March 2022	**6,132**	**-**	**6,132**
Net book value total at 31 March 2022	**6,422**	**5,872**	**12,294**
Net book value total at 1 April 2021	**5,163**	**3,261**	**8,424**

Software licences have been assigned asset lives of between 3 and 19 years

15. Property, plant and equipment

The Trust's land and buildings were valued by external valuers as at 31 March 2023 on the basis of fair value, as set out in the accounting policy note 1.6.2. The valuation was undertaken by Avison Young.

15.1 Property, plant and equipment, current year 2022/23

	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
Group	**£000**	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	**168,369**	6,578	103,936	5,159	3,729	36,082	12,249	636
Reclassification of existing finance leased assets to right of use assets on 1 April	**(4,010)**	-	(2,053)	-	-	(1,566)	(391)	-
Additions - purchased	**20,904**	-	2,573	10	14,281	2,265	1,775	-
Additions - assets purchased from cash donations/grants	**494**	-	333	-	11	150	-	-
Impairments charged to operating expenses	**(40)**	-	(40)	-	-	-	-	-
Reversal of Impairments credited to operating expenses	**78**	12	66	-	-	-	-	-
Revaluations	**(763)**	13	(766)	(10)	-	-	-	-
Reclassification	**-**	-	530	-	(530)	-	-	-
Disposals	**(3,267)**	-	-	-	-	(2,061)	(1,174)	(32)
Cost or valuation at 31 March 2023	**181,765**	**6,603**	**104,579**	**5,159**	**17,491**	**34,870**	**12,459**	**604**
Depreciation at 1 April 2022	**26,920**	-	-	-	12	19,078	7,583	247
Reclassification of existing finance leased assets to right of use assets on 1 April	**(460)**	-	-	-	-	(112)	(348)	-
Provided in the year	**7,796**	-	3,528	128	-	2,801	1,316	23
Impairments charged to operating expenses	**(85)**	-	(85)	-	-	-	-	-
Revaluations	**(3,571)**	-	(3,443)	(128)	-	-	-	-
Disposals	**(3,210)**	-	-	-	-	(2,004)	(1,174)	(32)
Depreciation at 31 March 2023	**27,390**	**-**	**-**	**-**	**12**	**19,763**	**7,377**	**238**

15.2 Property, plant and equipment, prior year 2021/22

	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
Group	**£000**	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	**131,894**	5,050	70,065	4,530	8,073	32,801	10,737	638
Additions - purchased	**19,532**	30	13,396	21	2,011	3,084	990	-
Additions - leased	**1,491**	-	-	-	-	1,491	-	-
Additions - equipment donated from DHSC for COVID response (non-cash)	**51**	-	-	-	-	51	-	-
Additions - assets purchased from cash donations/grants	**237**	-	7	-	-	230	-	-
Impairments charged to operating expenses	**(827)**	(49)	(778)	-	-	-	-	-
Impairments charged to revaluation reserve	**(39)**	-	(39)	-	-	-	-	-
Reversal of Impairments credited to operating expenses	**179**	152	27	-	-	-	-	-
Revaluations	**18,504**	1,395	16,501	608	-	-	-	-
Reclassification	**-**	-	4,757	-	(6,355)	1,010	588	-
Disposals	**(2,621)**	-	-	-	-	(2,553)	(66)	(2)
Derecognition - COVID equipment returned to DHSC	**(32)**	-	-	-	-	(32)	-	-
Cost or valuation at 31 March 2022	**168,369**	**6,578**	**103,936**	**5,159**	**3,729**	**36,082**	**12,249**	**636**
Depreciation at 1 April 2021	**30,177**	-	4,448	265	-	18,916	6,328	220
Provided in the year	**6,511**	-	2,339	132	-	2,690	1,321	29
Impairments charged to operating expenses	**(531)**	-	(543)	-	12	-	-	-
Impairments charged to revaluation reserve	**(10)**	-	(10)	-	-	-	-	-
Reversal of Impairments credited to operating expenses	**(74)**	-	(74)	-	-	-	-	-
Revaluations	**(6,557)**	-	(6,160)	(397)	-	-	-	-
Disposals	**(2,593)**	-	-	-	-	(2,525)	(66)	(2)
Derecognition - COVID equipment returned to DHSC	**(3)**	-	-	-	-	(3)	-	-
Depreciation at 31 March 2022	**26,920**	**-**	**-**	**-**	**12**	**19,078**	**7,583**	**247**

15.3 Property, plant and equipment DCH Subco Ltd

Note 15.1 contains £nil(15.2 contains £2,000) of Information technology assets relating to DCH Subco Ltd.

15.4 Property, plant and equipment financing

	Total	**Land**	**Buildings exc. dwellings**	**Dwellings**	**Assets under construction**	**Plant & machinery**	**Information technology**	**Furniture & fittings**
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value as at 31 March 2023								
Owned assets	**147,879**	6,603	100,110	5,159	17,468	13,386	5,079	74
Donated assets	**6,102**	-	4,469	-	11	1,327	3	292
Donated assets from DHSC for Covid response	**394**	-	-	-	-	394	-	-
Total at 31 March 2023	**154,375**	**6,603**	**104,579**	**5,159**	**17,479**	**15,107**	**5,082**	**366**
Net book value as at 31 March 2022								
Owned assets	**131,774**	6,578	97,523	5,159	3,717	14,086	4,617	94
Finance lease	**3,550**	-	2,053	-	-	1,454	43	-
Donated assets	**5,661**	-	4,360	-	-	1,000	6	295
Donated assets from DHSC for Covid response	**464**	-	-	-	-	464	-	-
Total at 31 March 2022	**141,449**	**6,578**	**103,936**	**5,159**	**3,717**	**17,004**	**4,666**	**389**

15.5 Property, plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Group	**Total**	**Land**	**Buildings exc. dwellings**	**Dwellings**	**Assets under construction**	**Plant & machinery**	**Information technology**	**Furniture & fittings**
	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	**696**	-	696	-	-	-	-	-
Not subject to an an operating lease	**153,679**	6,603	103,883	5,159	17,479	15,107	5,082	366
Total at 31 March 2023	**154,375**	**6,603**	**104,579**	**5,159**	**17,479**	**15,107**	**5,082**	**366**

16 Right of use assets, current year 2022/23

	Group and Trust					
	Total	**Property (land and buildings)**	**Plant & machinery**	**Transport equipment**	**Information technology**	**Of which: leased from DHSC group bodies**
Group	**£000**	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	**-**	-	-	-	-	-
Reclassification of existing finance leased assets to right of use assets on 1 April	**4,010**	2,053	1,566	-	391	-
Recognition of right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	**7,039**	6,361	495	183	-	-
Additions - lease liability	**16,819**	16,819	-	-	-	-
Remeasurements of the lease liability	**57**	40	-	17	-	-
Impairments charged to operating expenses	**(5,600)**	(5,600)	-	-	-	-
Reversal of impairments credited to operating expenses	**4**	4	-	-	-	-
Revaluations	**430**	430	-	-	-	-
Disposals/derecognition - lease termination	**(75)**	-	(75)	-	-	-
Cost or valuation at 31 March 2023	**22,684**	**20,107**	**1,986**	**200**	**391**	**-**
Depreciation at 1 April 2022	**-**	-	-	-	-	-
Reclassification of existing finance leased assets to right of use assets on 1 April	**460**	-	112	-	348	-
Provided in the year	**1,446**	1,110	215	78	43	-
Impairments charged to operating expenses	**(619)**	(619)	-	-	-	-
Reversal of impairments credited to operating expenses	**(1)**	(1)	-	-	-	-
Revaluations	**(490)**	(490)	-	-	-	-
Disposals/derecognition - lease termination	**(75)**	-	(75)	-	-	-
Depreciation at 31 March 2023	**721**	**-**	**252**	**78**	**391**	**-**
Net book value at 31 March 2023	**21,963**	**20,107**	**1,734**	**122**	**-**	**-**

17. Inventories

Current year 2022/23	Group			
	Drugs	**Consumables**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 April	975	1,729	171	**2,875**
Additions	23,844	10,158	495	**34,497**
Inventories recognised as an expense in the period	(23,369)	(9,973)	(497)	**(33,839)**
Write-down of inventories recognised as an expense	(8)	-	-	**(8)**
Balance at 31 March	**1,442**	**1,914**	**169**	**3,525**

Current year 2022/23	Trust			
	Drugs	**Consumables**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 April	786	1,729	171	**2,686**
Additions	18,204	10,158	495	**28,857**
Inventories recognised as an expense in the period	(17,702)	(9,973)	(497)	**(28,172)**
Write-down of inventories recognised as an expense	(8)	-	-	**(8)**
Balance at 31 March	**1,280**	**1,914**	**169**	**3,363**

The Trust does not currently operate a complete inventory management control system and is therefore, not able to separately evaluate any amount arising, from write-downs or losses, for inventories other than drugs.

18. Receivables

18.1 Receivables

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Current	**£000**	£000	**£000**	£000
Contract receivables (IFRS 15): invoiced	1,062	2,067	1,062	2,067
Contract receivables (IFRS 15): not yet invoiced/ non-invoiced	9,215	1,719	9,414	1,719
Allowance for impaired contract receivables	(80)	(79)	(80)	(79)
Prepayments	2,223	2,340	2,221	2,338
Interest receivable	98	15	95	15
PDC dividend receivable	-	-	-	-
VAT receivables	991	601	885	494
Clinician pension tax provision	6	10	6	10
Other receivables	526	428	526	428
Total current receivables	**14,041**	7,101	**14,129**	6,992
Non-current				
Prepayments	321	277	321	277
Contract receivables (IFRS 15): not yet invoiced/ non-invoiced	317	185	317	185
Clinician pension tax provision	171	117	171	117
Total non-current receivables	**809**	579	**809**	579
Grand Total	**14,850**	7,680	**14,938**	7,571

The great majority of trade is with Integrated Care Boards, as commissioners for NHS patient care services. As Integrated Care Boards are funded by central government to buy NHS patient care services, no credit scoring of them is considered necessary.

18.2 Allowances for credit losses (doubtful debts)

Contract receivables and contract assets	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Balance at 1 April	79	79	79	79
New allowances arising	37	38	37	38
Reversals of allowances	(36)	(38)	(36)	(38)
Balance at 31 March	**80**	79	**80**	79

19. Cash and cash equivalents

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Balance at 1 April	25,951	17,698	25,827	17,648
Net change in year	(7,037)	8,253	(7,525)	8,179
Balance at 31 March	**18,914**	25,951	**18,302**	25,827
Made up of				
Commercial banks and cash in hand	7	5	7	5
Cash with Government Banking Service	18,907	25,946	18,295	25,822
Cash and cash equivalents	**18,914**	25,951	**18,302**	25,827

20. Trade and other payables

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Current	**£000**	£000	**£000**	£000
Trade payables	8,613	7,686	8,371	7,387
Capital payables	6,416	10,592	6,416	10,592
Accruals	13,225	11,827	13,225	12,006
Other taxes payable	3,478	3,293	3,448	3,285
PDC dividend payable	34	353	34	353
Pension contributions payable	2,082	2,040	2,082	2,040
Total	**33,848**	35,791	**33,576**	35,663

21. Borrowings

	Group Current		Trust Current	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Loans from Department of Health and Social Care	4	4	4	4
Lease liabilities*	1,557	339	1,557	339
Total	**1,561**	343	**1,561**	343

	Non-current		Non-current	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Loans from Department of Health and Social Care	4,600	4,600	4,600	4,600
Lease liabilities*	25,408	3,638	25,408	3,638
Total	**30,008**	8,238	**30,008**	8,238

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in notes 1.11, 1.12, 16 and 24.

The Trust drew down a capital loan on the 1st August 2011 from the Department of Health against the receipt of future asset sales at an annual interest rate of 2.11%. The loan repayment date has been extended by the Department of Health and Social Care in a letter dated 4th May 2020 to 15th March 2026.

21.1 Reconciliation of liabilities current year 2022/23	Total	DHSC loans 2022/23	Lease liabilities 2022/23
Group and Trust	**£000**	**£000**	**£000**
At 1 April 2022	**8,581**	4,604	3,977
Cash movements:			
Financing cash flows - principle	**(967)**	-	(967)
Financing cash flows - interest	**(513)**	(97)	(416)
Non-cash movements:			
Impact of implementing IFRS on 1 April 2022	**7,039**	-	7,039
Additions	**16,819**	-	16,819
Lease liability remeasurements	**57**	-	57
Interest charge arising in year	**553**	97	456
At 31 March 2023	**31,569**	4,604	26,965

Reconciliation of liabilities prior year 2021/22	Total	DHSC loans 2021/22	Finance leases 2021/22
Group and Trust	**£000**	**£000**	**£000**
At 1 April 2021	**7,212**	4,604	2,608
Cash movements:			
Financing cash flows - principle	**(142)**	-	(142)
Financing cash flows - interest	**(247)**	(97)	(150)
Non-cash movements:			
Additions	**1,491**	-	1,491
Interest charge arising in year	**267**	97	170
At 31 March 2022	**8,581**	4,604	3,977

22. Provisions

	Group and Trust Current	
	31 March 2023	31 March 2022
	£000	£000
Pensions early departure costs	17	20
Pensions injury benefits	13	13
Other legal claims	2	6
Clinician pension tax reimbursement	6	10
Total	**38**	49

	Non-current	
	31 March 2023	31 March 2022
	£000	£000
Pensions early departure costs	35	56
Pensions injury benefits	78	105
Clinician pension tax reimbursement	171	117
Total	**284**	278

22.1 Provisions movement	Total	Pensions early departure costs	Pensions Injury benefits	Legal and other claims	Clinician pension tax
Group and Trust	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 April 2022	**327**	76	118	6	127
Change in discount rate	**(176)**	(4)	(16)	-	(156)
Arising during the year	**210**	3	-	2	205
Utilised during the year - accruals	**(9)**	(6)	(3)	-	-
Utilised during the year - cash	**(36)**	(18)	(10)	(5)	(3)
Reversed unused	**(1)**	-	-	(1)	-
Unwinding of discount	**7**	1	2	-	4
At 31 March 2023	**322**	52	91	2	177
Expected timing of cash flows:					
Within one year	**38**	17	13	2	6
Between one and five years	**101**	35	42	-	24
After 5 years	**183**	-	36	-	147
Total	**322**	52	91	2	177

Provisions that are not expected to become due for several years are shown at a reduced value to take account of inflation.

Provisions shown under the heading 'Pensions early departure costs' have been calculated using figures provided by the NHS Pension Agency. They assume certain life expectancies. Provisions shown under the heading 'Legal claims' relate to public and employer liability claims. The liability claims amounts have been calculated using information provided by NHS Resolution and are based on the best information available at the balance sheet date.

22.2 Clinical negligence liabilities	31 March 2023	31 March 2022
Group and Trust	**£000**	£000
Amount included in provisions of NHS Resolution in respect of clinical negligence liabilities of the Trust	99,403	163,573

23. Other liabilities	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Deferred income - goods and services	4,545	3,119	4,545	3,119
Total	**4,545**	3,119	**4,545**	3,119

24. Leases

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Maturity analysis of future lease payments at 31 March 2023

Group and Trust	**31 March 2023 £'000**
Undiscounted future lease payments payable in :	
not later than one year	2,237
later than one year and not later than five years	7,339
later than five years	26,864
Total gross future payments	36,440
Finance charges allocated to future periods	(9,475)
Net lease liabilities	**26,965**
of which	
Current not yet invoiced/not relating to current year	1,557
Non-Current	25,408
	26,965

24.1 Movements in the carrying value of lease liabilities

Group and Trust	**Total £000**
Carrying Value at 1 April 2022	**3,977**
Cash movements:	
Financing cash flows - principle	(967)
Financing cash flows - interest	(416)
Non-cash movements:	
Impact of implementing IFRS on 1 April 2022	7,039
Lease additions	16,819
Lease liability remeasurements	57
Interest charge arising in year	456
Carrying value at 31 March 2023	**26,965**

24.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 21.

Group and Trust	**Total £000**
Carrying Value at 31 March 2022	**3,977**
IFRS 16 implementation - adjustments for exisiting	7,039
Lease additions	16,819
Lease liability remeasurements	57
Interest charge arising in year	456
Lease payments (cash outflows)	**(1,383)**
Carrying value at 31 March 2023	**26,965**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

24.3 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

Group and Trust	**Minimum lease payments**	**Present value of minimum lease payments**
	31 March 2022	31 March 2022
	£'000	£'000
Gross lease liabilities	5,429	4,124
of which liabilities are due		
not later than one year	572	537
later than one year and not later than five years	1,744	1,477
later than five years	3,113	2,110
Finance charges allocated to future periods	(1,452)	(1,160)
Net lease liabilities	**3,977**	**2,964**
of which liabilities are due		
not later than one year	339	321
later than one year and not later than five years	1,067	908
later than five years	2,571	1,735
	3,977	**2,964**

24.4 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

Payments recognised as an expense	Group Year ended 31 March 2022 £000	Trust Year ended 31 March 2022 £000
Minimum lease payments:		
Buildings	78	78
Other	95	95
Total minimum lease payments	**173**	**173**

Future minimum lease payments on buildings leases due:	Year ended 31 March 2022 £000	Year ended 31 March 2022 £000
Not later than one year	500	500
Later than one year and not later than five years	1,943	1,943
Later than five years	6,657	6,657
Total	**9,100**	**9,100**

Future minimum lease payments on other leases due:	Year ended 31 March 2022 £000	Year ended 31 March 2022 £000
Not later than one year	45	45
Later than one year and not later than five years	98	98
Total	**143**	**143**

24.5 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.11

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	£000
Group and Trust	**1 April 2022**
Operating lease commitments under IAS 17 at 31 March 2022	**9,243**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**6,407**
Less:	
Irrecoverable VAT previously included in IAS 17 commitment	(1,176)
Other adjustments:	
Differences in the assessment of the lease term	361
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	1,447
Finance lease liabilities under IAS 17 as at 31 March 2022	3,977
Total lease liabilities under IFRS 16 as at 1 April 2022	**11,016**

25. Contingencies

Contingent liabilities	**31 March 2023**	31 March 2022
Group and Trust	**£000**	£000
Pensions Injury benefits	**9**	-
Pensions early departures	**2**	-
Risk pooling*	-	6
Total	**11**	6

* Risk pooling is in respect of employer and public liability incidents for which claims have been made against the Trust. The contingent liabilities have been calculated using information provided by NHS Resolution. Provisions relating to these cases are included in Note 22.

26. Financial instruments

26.1 Financial assets

	Group		**Trust**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Loans and receivables	**£000**	£000	**£000**	£000
Trade and other receivables with NHS and DH bodies	10,160	3,528	10,160	3,528
Trade and other receivables with other bodies	1,149	924	1,345	924
Cash and cash equivalents at bank and in hand	18,914	25,951	18,302	25,827
Total at 31 March	**30,223**	30,403	**29,807**	30,279

The financial assets consist of the financial element of trade and other receivables (Note 18.1) and cash and cash equivalents at bank and in hand (Note 19). Financial assets in the table above are valued at amortised cost.

26.2 Financial liabilities

	Group		**Trust**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Borrowing excluding finance lease and PFI contract	4,604	4,604	4,604	4,604
Obligations under leases	26,965	3,977	26,965	3,977
Trade and other payables with NHS and DH bodies	1,821	1,223	1,821	1,223
Trade and other payables with other bodies	24,399	27,764	24,157	27,644
Provisions under contract	322	327	322	327
Total at 31 March	**58,111**	37,895	**57,869**	37,775

The financial liabilities consist of the financial element of trade and other payables (Note 20), plus current and non-current borrowings (Note 21) and provisions (Note 22.1) excluding legal costs. Financial liabilities in the table above are valued at amortised cost.

Maturity of financial liabilities	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Leases				
In one year or less	2,237	572	2,337	572
In more than one year but not more than five years	7,339	1,744	7,339	1,744
In more than five years	26,864	3,113	26,864	3,113
	36,440	5,429	**36,540**	5,429
DHSC loans				
In one year or less	97	97	97	97
In more than one year but not more than five years	4,697	4,794	4,697	4,794
	4,794	4,891	**4,794**	4,891
Trade & Payables: DHSC group bodies				
In one year or less	1,821	1,223	1,821	1,223
	1,821	1,223	**1,821**	1,223
Trade & Payables: other bodies				
In one year or less	24,399	27,764	24,157	27,644
	24,399	27,764	**24,157**	27,644
Provisions				
In one year or less	39	49	39	49
In more than one year but not more than five years	106	104	106	104
In more than five years	189	163	189	163
	334	316	**334**	316
Total				
In one year or less	28,593	29,705	28,451	29,585
In more than one year but not more than five years	12,142	6,642	12,142	6,642
In more than five years	27,053	3,276	27,053	3,276
	67,788	39,623	**67,646**	39,503

The figures above are based on undiscounted future contractual cash flow as per IFRS 7 Financial Instruments.

26.3 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Integrated Care Boards and the way those Boards are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

26.3.1 Currency risk

The Trust is a UK based organisation with no overseas operations. The vast majority of its income, expenses, assets and liabilities are denominated in sterling, and therefore it has low exposure to currency risk.

26.3.2 Interest rate risk

The Trust's exposure to interest rate risk is limited to the rate of interest it earns on short-term cash deposits placed with the National Loans Fund and its cash balances with the Government Banking Service. All of the borrowings of the Trust are at fixed rates of interest.

The Group earned interest of £538,700 (at an average rate of approximately 2.19%) during 2022/23. An increase in interest rates of 0.5% would increase interest earned by approximately £128,900.

26.3.3 Credit risk

The majority of the Trust's trade and other receivables are due from other NHS bodies that are funded by central government. As a result, the Trust has a low credit risk profile. Exposures as at 31 March are disclosed in the Trade and other receivables note.

The Trust has a credit control policy and actively pursues unpaid debts, utilising the services of a debt collection agency for certain older debts. The Trust does not enter into derivative contracts.

26.3.4 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Integrated Care Boards, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from internally generated funds, or from facilities made available from Government under an agreed borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has a deficit of £4.9m in the current financial year and has a cash balance of £18.9m. Therefore, there is minimal risk to payables.

27. Events after the reporting period

There have been no significant post balance sheet events requiring disclosure.

28. Related party transactions

Dorset County Hospital NHS Foundation Trust is an independent public benefit corporation as authorised by NHS Improvement in their Terms of Authorisation. None of the Trust's Directors, senior managers, or parties deemed to be related to them, has undertaken any material transactions with Dorset County Hospital NHS Foundation Trust.

The Department of Health and Social Care is regarded as the ultimate parent of the Trust. During the year the Foundation Trust has had a significant number of transactions with entities for which the Department of Health is regarded as the ultimate parent. Central and Local Government and NHS entities, with which the Foundation Trust had transaction totals exceeding £500,000 for the year, are listed in the following table.

	Income in year to 31 March 2023 £000	Expenditure in year to 31 March 2023 £000	Receivables at 31 March 2023 £000	Payables at 31 March 2023 £000
Department of Health and Social Care	-	-	-	4,604
Dorset Healthcare NHS Foundation Trust	3,374	6,285	596	659
Health Education England	11,924	-	129	-
HM Revenue and Customs - Tax & NI	-	15,138	-	3,478
NHS Blood and Transplant	18	937	4	22
NHS Dorset Clinical Commissioning Group	47,247	177	-	-
NHS Dorset Integrated Care Board	153,241	956	2,694	312
NHS England - Central Specialised Commissioning Hub	4,347	-	329	-
NHS England - Core	6,931	53	5,656	-
South West Regional Office	32,168	-	8	-
NHS Hampshire and Isle of Wight Integrated Care Board	808	-	-	-
NHS Somerset Integrated Care Board	1,875	-	-	-
NHS Somerset CCG	607	-	-	-
NHS Resolution	-	5,496	-	-
NHS Pension Scheme	-	21,893	-	2,069
University Hospital Southampton NHS Foundation Trust	815	301	159	84
University Hospitals Dorset NHS Foundation Trust	1,472	2,343	116	658
DCH Subco Ltd	92	5,966	199	-

The payables included above in respect of HM Revenue and Customs and NHS Pension Scheme include both employee and employer contributions. The expenditure figures for these organisations are only in respect of employer contributions.

The Trust receives revenue payments and contributions to the cost of non-current assets from the Dorset County Hospital NHS Foundation Trust Charitable Fund, of which the Foundation Trust is the corporate trustee.

Transactions with Dorset County Hospital NHS Foundation Trust Charitable Fund:	**31 March 2023 £000**	31 March 2022 £000
Contributions from the Charity to non-current assets	484	154
Contributions from the Charity to expenditure	38	16

29. Third Party Assets

The Trust did not hold cash and cash equivalents which relate to monies held on behalf of patients (2021/22 £nil).

30. Losses and special payments

Group and Trust	Number of cases		Total value of cases	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	Number	Number	**£'000**	£'000
Losses;				
Bad debts and claims abandoned in relation to:				
other	**2**	1	**2**	1
Damage to buildings and property due to:				
stores losses	**1**	1	**8**	9
other	**-**	2	**-**	-
Special Payments;				
Ex-gratia payments in respect of:				
loss of personal effects	**20**	7	**7**	9
other	**2**	-	**-**	-
	25	11	**17**	19

31. Limitation on auditor's liability

The limitation on the Trust's auditor's liability is £1.0million (2021/22: £1.0million).

32. Pooled Budget – Equipment for Living Partnership

The Trust, via Dorset ICB, contributes towards a pooled budget arrangement which started on the 1st April 2015. This is hosted by BCP Council to provide equipment for Living Partnership.

Payments are included in note 5 – Operating expenses under heading Purchase of healthcare from NHS and DHSC bodies. The Trust contributed £210k in 2022/23 (£202k 2021/22). This forms part of the Dorset ICB total included in the table below.

The below disclosure is based on month 12 information provided by Dorset ICB and it should be noted that these figures are un-audited.

Group and Trust	Year ended 31 March 2023	Year ended 31 March 2022
Funding	**£000**	£000
BCP Council	1,230	1,410
Dorset Council	1,077	1,232
Dorset ICB	5,414	-
Dorset CCG	307	5,657
Partner Contributions (excluding management costs)	8,028	8,299
Risk Share: Local Authorities	-	-
Risk Share: NHS Dorset	-	-
COVID-19 Funding (Unpooled)	-	1,079
NHS Discharge Funidng (Unpooled)		
BCP Council	500	-
Dorset Council	628	-
Dorset ICB	201	-
Total Funding	**9,357**	9,378
Expenditure		
Integrated Community Equipment Store		
Actual Spend to March	(9,357)	(9,378)
Total Expenditure	**(9,357)**	(9,378)
Total Surplus at 31 March	**-**	-

33. Other Financial Commitments

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
not later than 1 year	3,393	2,373	3,393	2,373
after 1 year and not later than 5 years	2,232	2,222	2,232	2,222
paid thereafter	174	-	174	-
Total	**5,799**	**4,595**	**5,799**	**4,595**

34. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements comprise:

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Property, plant and equipment	734	1,998	734	1,998
Intangible assets	3	29	3	29
Total	**737**	2,027	**737**	2,027