Dorset County Hospital NHS Foundation Trust Annual Report and Accounts

2023 – 2024

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

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Statement from the Chair and Chief Executive

Chairman's Statement

Welcome to our Annual Report for 2023/24. The NHS as a whole continues to operate in a challenging environment as we strive to make the best use of our resources and to recover our services from the impacts of the pandemic. A great deal is asked of our staff and I have been so impressed by colleagues and by our volunteers as they support each other and our patients and communities.

Despite the ongoing challenges it was encouraging to see that our scores in the NHS Staff Survey have improved in most areas as the tide has started to turn on declining scores in recent years. We can't be complacent and still have more work to do to improve people's experience, but there are good foundations.

Absolutely key to our recovery and our future is our work with our health and care system partners. Dorset's Integrated Care System is finding its feet and developing a clear direction for all our organisations. With a joint strategy and forward plan, partners are now committed to five areas of focus:

- Improving the lives of those impacted by poor mental health
- Preventing children from becoming overweight
- Reducing the gap in healthy life expectancy
- Increasing the number of older people living well and independently
- Adding to the number of healthy life years for people in Dorset

Another important partnership focus has been the developing federation between Dorset County Hospital and Dorset Healthcare University NHS Foundation Trust. It has been my great privilege to complete my first year as joint Chair and to get to know these two organisations. Alongside our joint Chief Executive, we have been putting in place some of the foundations for effective joint working. This includes joint events for both Boards and Councils of Governors where we can better understand our shared challenges and seek out solutions and innovation.

In my visits to services around the trust it's been clear that there's a real willingness and drive to work with people and to experiment with new ways of working. I've been struck by that strong community focus and by our existing and developing relationships with partners like councils and the voluntary and community sector. The way we're now shaping future services is very much a team effort, with everyone bringing their unique set of skills, experience and insight.

We're working hard to make better connections between all parts of the NHS – our partner organisations, our GPs and the organisations which plan and commission services. Most importantly, we're listening to the people who use our services - or may use them in future – to find out what matters to them. Working closely with people and communities is the way we'll make the best use of limited resources to make the biggest impact.

It's been extremely positive to see us moving closer to the delivery of some major building projects, with national investment, which will transform services for our patients. Dorset

County Hospital's New Hospital Programme scheme for a new emergency department and critical care unit is progressing well. The full business case is set to go to the Joint Investment Committee in the coming months and enabling works are already underway on site.

There is always a balance between the money we have available to us and our aspirations for the future and we need to manage that balance carefully. Working within our federation, and more widely as a key player in our system, makes us more resilient and gives us access to the range of skills, ideas and experience we need to build for the future.

I'd like to thank our committed Council of Governors for their useful insights and challenge. I'm also grateful to our executive and non-executive directors for all their hard work, flexibility and resilience through a further period of change and challenge.

I'm confident that we are doing the right things to set ourselves up for the future. The excellence, compassion and expertise of colleagues, the close relationships we've built with partners and the involvement and engagement of our communities will help us to succeed. Thank you to everyone who plays a part in our ongoing journey.

Signed

David Clayton-Smith
Trust Chair

Chief Executive's Statement

Last year we celebrated the 75th birthday of the NHS and although in all that time the scale and pace of change in the healthcare sector has never been more significant, it is important to always remember that patients are at the heart of all we do. Still recovering from the impact of the pandemic, we are transforming our services to ensure they are fit for the future and support improved population health. That balance of what is needed now and in the future puts great pressure on our organisation and our people and being clear on our priorities is crucial.

Our financial position as a system is extremely challenging and we are working collectively across the Integrated Care System to find solutions. We have brought in measures to carefully scrutinise and manage our spend while retaining that all-important focus on delivering safe, effective care and improving outcomes and experience for people accessing our services.

Only by working with our partners can we make the best use of the resources available, avoiding duplication and helping to ensure that funding is going to the right places. Planning together with a clear set of overarching ambitions allows us to pool our efforts to support local people to stay well and make the most of their lives.

A clear focus on reducing admissions and length of stay in hospitals makes it all the more important that, alongside primary care, NHS providers support people in the community as effectively as possible. We have begun to build closer working at a local level, starting to develop integrated neighbourhood teams that can meet the specific needs of communities. These vary across the county, and we are working hard to understand those different needs and develop solutions with people and communities.

Our federation with Dorset Healthcare University NHS Foundation Trust has progressed well, starting with my appointment and that of our joint Chair. We now have four joint executive directors in post, and they are working with their teams to maximise the opportunities for collaboration across the two trusts. A number of flagship projects, including diabetes and frailty, are making headway with a clear focus on improving outcomes for patients. And our list of case studies highlighting the benefits of joint working has grown throughout the year, with recent additions including pharmacy, temporary staffing and eating disorders.

On a wider scale I am delighted that the creation of the Our Dorset Provider Collaborative (ODPC) with DHC, University Hospitals Dorset and the Dorset GP Alliance has the unique potential to drive strategic, system-level transformation, recognising that greater benefits will be achieved for and with our communities by working together at scale. I am convinced that the collaborative is best placed to improve population health and healthcare, tackle unequal outcomes and access, enhance productivity and value for money, and help the NHS to support broader social and economic development.

Already the collaborative has created a single orthodontics service delivered by DCH, and a single rheumatology service delivered by UHD. The programme has supported improvements in delivering cataract surgery and worked on Dorset wide interactive information for orthopaedic patients. Over the next year the collaborative will continue its

work on enhancing clinical networks and delivering a greater number of community options in services such as dermatology and ophthalmology. We will also focus on how we address workforce and agency spend such as reducing off-framework spend, reducing agency rates, and aligning and improving our bank offer with system partners. The ODPC will also continue to oversee a number of system collaboratives including Stroke, One Dorset Pathology, Community Diagnostic Centres, Strategic Estates, and Integrated Neighbourhood Teams.

Like most NHS trusts we have continued to face workforce pressures, with particular recruitment challenges in Dorset due to the cost of housing. We are working hard to improve the offer for new and existing staff, with good progress in filling some hard-to-recruit roles. We have continued our focus on building the development and progression opportunities for colleagues as we look to retain staff in Dorset County Hospital and our health and care system as a whole.

Industrial action has been an added factor in the past year, and I am proud of the way we have worked to mitigate the impacts of this and minimise the disruption to our services.

All of these issues have taken a toll on colleagues and our health and wellbeing support offer has never been more important. It has been heartening to see how well colleagues support each other in teams across our services. That team effort has been reflected in our 2023 staff survey results, which show improvements in almost all areas. It is encouraging to see this in the face of another tough year, and it is a priority to continue building that sense of belonging, inclusion and psychological safety as we move into the next phase of our journey. It will provide the foundations we need for colleagues to be innovative and creative for the future.

There have been numerous successes to celebrate in the past year and these include:

- Our Barnes Ward and Day Lewis Ward came together as the ‘Mary Anning Unit’, named in recognition of the pioneering achievements of celebrated local palaeontologist Mary Anning. The staff are proud that this is the first unit at Dorset County Hospital to be named after a woman. The new specialist unit meets the complex care needs of frail older people in an environment that promotes multi-professional support and training.
- We opened our new Discharge Lounge, known as the Portesham Unit. The new building provides a much larger, purpose-built space for patients to stay while they wait to be discharged, freeing up inpatient beds in the meantime for patients who need to be admitted.
- Our Anaesthetic and Critical Care Departments scored highly on the GMC National Training Survey. Our teams were ranked first in the region in 10 areas and second in the region for overall satisfaction and clinical supervision.
- Our new lung screening service marked its first anniversary after a hugely successful year. The Targeted Lung Health Check is part of a national initiative aimed at diagnosing and treating lung and breathing problems before they become serious. The Dorset service has already proved hugely successful in identifying conditions much earlier and improving outcomes for patients.

- Our maternity team scored some of the best results in the region in the 2023 Care Quality Commission (CQC) survey of women's experiences of maternity care in England. DCH's services were rated better or the same as maternity services across the country in all areas that were surveyed – with several areas among the top results for the region.
- We opened our refurbished Outpatient Assessment Centre at South Walks House in Dorchester. We received more than £14million from the NHS England Elective Recovery and Community Diagnostics Programme to transform two floors of the building into permanent clinical space after signing a 20-year lease with Dorset Council.
- We were awarded the National Preceptorship Quality Mark. The Quality Mark indicates that our clinical preceptorship programme for nurses and midwives, including newly qualified and internationally educated staff, meets the highest quality standards in training and education.
- Our Infant Feeding team achieved the UNICEF Stage 1 of the Baby Friendly Initiative (BFI) Accreditation and were highly commended for the quality of the documents submitted and the thorough way in which the necessary processes to implement the Baby Friendly standards have been planned.

These achievements are only possible through the hard work and resilience of colleagues. In the past year I have been impressed by their willingness to change and adapt, their kindness to each other and to our patients and their team spirit and support for each other.

Building on these achievements, working closely with our partners and putting the voices of people and communities at the heart of all we do, I am confident we are well-placed to continue improving health in our communities for years to come.

Signed

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 2023/24. This Annual Report should be read in conjunction with the 2023/24 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 increasingly serves populations in the Purbeck area.

The trust serves a population of approximately 250,000 people but provides specialist services including Renal Services to the whole of Dorset and south Somerset. The population served has a proportion of older patients much greater than the national average (over 65years representing 30% of the total population vs 19% for England & Wales). Dorset continues to experience an increasing total population, with 0.4% per annum forecast in the coming years, and the older population growing around 2% per annum. The main hospital opened on its current site in 1987, with major additions in 1996, and is situated centrally in the county town of Dorchester. The population served is in large part rural or coastal and has areas of marked deprivation particularly in Weymouth and Portland.

The trust delivers community based as well as hospital-based services, through providing services in GP practices, in patient homes (through the Acute Hospital at Home and Discharge to Assess teams), and at community hospitals in Weymouth, Bridport, Sherborne and Blandford. The trust works closely with primary care and social services to ensure integrated services are provided. As a 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 are committed to meet the national standards and targets set us. 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, including day surgery and endoscopy, outpatient services, older persons services, 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.

The trust is organised internally into two Divisions - 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, budget and capital and strategic planning. The Divisions are further split into Care Groups according to specialties, and have responsibility for governance: safety, clinical effectiveness, safeguarding and patient experience.

The divisions report into the trust Board committees monthly. 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 monthly and is supported by the assurance and performance sub-committees, with the Board Assurance Framework capturing the risks to delivery of trust strategy. 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 ICB published its 5 Year Plan in January 2023, the Strategic Objectives within which the trust is committed to supporting.

As part of the collaborative working across the Dorset System, there are several key groups to ensure that there is an aligned approach to meeting the needs of the Dorset population. These groups are cross-cutting across the breadth of the services provided.

Planned Care Improvement Group and Planned Care Delivery Group for example which concentrate on Elective Care, with representation from all three providers in Dorset. It is a forum where a strategic approach can be agreed to enable the providers to deliver against the national operational plan. While the focus is elective care, the inter-dependencies of urgent and emergency care are also considered.

The Urgent and Emergency Care Board takes a strategic view involving all System partners of the urgent and emergency care pathways and links to integrated neighbourhood initiatives. There are operational groups supporting the workstreams in each locality; for Dorset County the West Dorset workstreams bring partners together to plan, trial and report on interventions in these pathways.

There is also the joint health inequalities group whereby the providers work together to ensure equality of access to services, for all Dorset patients, there are plans to broaden in the coming year to include patient participation in this group to develop specific patient representative roles with a focus on lived experience.

Highlights of the Year

June 2023
Barnes Ward and Day Lewis Ward came together as the ‘Mary Anning Unit’. The ward teams chose to name their new unit in recognition of the pioneering achievements of celebrated local palaeontologist Mary Anning. The staff are proud that this is the first unit at Dorset County Hospital to be named after a woman.

The new specialist unit will meet the complex care needs of frail older people in an environment that promotes multi-professional support and training.

July 2023
A new mural was unveiled on our Kingfisher Children’s Ward, thanks to the work of artist Marina Renee-Cemick and our Arts in Hospital team. The mural has received a lot of positive feedback from patients and their families as well as staff.

August 2023
We opened a new Discharge Lounge, known as the Portesham Unit.

The new building provides a much larger, purpose-built space for patients to stay while they wait to be discharged, freeing up inpatient beds in the meantime for patients who need to be admitted.

It also includes additional, flexible clinical space with side rooms and bed bays to be used by other hospital services.

September 2023
Our Anaesthetic and Critical Care Departments scored highly on the latest GMC National Training Survey.

Our teams were ranked first in the region in 10 areas including teamwork, handover, support, feedback, teaching and rota designs. Our teams also ranked second in the region for overall satisfaction and clinical supervision.

October 2023
Plans to develop the hospital site, including building a brand-new Emergency Department (ED) and Critical Care Unit (CrCU), were given the green light by local planners.

The new ED and CrCu will be built on the site of the former Damers First School, as part of the Government's New Hospital Programme and will include a rooftop helipad, purpose-built spaces for both major and minor injuries and conditions, a mental health facility, a dedicated emergency paediatrics area, 24 critical care beds, and an ambulance arrivals and fast assessment area.

October 2023
The Dorset County Hospital Charity launched a £2.5million capital appeal to fund major enhancements in the hospital's new Emergency Department and Critical Care Unit. Increasing demand is putting increasing pressure on our Emergency Department, which treats twice as many people as it was built for. Demand is expected to rise, so investment is vital to make sure we can meet our patients' needs.

December 2023
Dorset's new lung screening service marked its first anniversary. The Targeted Lung Health Check is part of a national initiative aimed at diagnosing and treating lung and breathing problems before they become serious.

Dorset County Hospital is the lead provider for the programme, working with health partners throughout the county and the service has already proved hugely successful in identifying conditions much earlier and improving outcomes for patients.

December 2023
We held our Long Service Awards and celebrated staff who had worked at Dorset County Hospital for an incredible 25 years.

Staff reminisced about their time at the trust over a delicious afternoon tea before being presented with a certificate and badge from our Chief Executive.

February 2024
DCH's maternity team scored some of the best results in the region in the 2023 Care Quality Commission (CQC) survey of women's experiences of maternity care in England. DCH's services were rated better or the same as maternity services across the country in all areas that were surveyed – with several areas among the top results for the region.

February 2024
Dorset County Hospital opened its newly refurbished Outpatient Assessment Centre at South Walks House in Dorchester.

The trust received more than £14million from the NHS England Elective Recovery and Community Diagnostics Programme to transform two floors of the building into permanent clinical space after signing a 20-year lease with Dorset Council.

February 2024
Apprentices at Dorset County Hospital were recognised at a special new awards ceremony as part of National Apprenticeship Week.

DCH had 188 staff undertaking apprenticeships across a wide range of clinical and non-clinical roles, and at different levels – from Level 2 (GCSE equivalent) through to a Level 7 (Master's degree).

March 2024
We were awarded the National Preceptorship Quality Mark. The Quality Mark indicates that our clinical preceptorship programme for nurses and midwives, including newly qualified and internationally educated staff, meets the highest quality standards in training and education.

March 2024
Two members of our staff – Chris O'Connell and Kevin Smith – received Chief Nursing Officer Awards for their commitment to quality of care and improving lives. The national awards recognise the vital contribution of Healthcare Support Workers in the NHS.

March 2024
We held our first DCH Careers Fair spotlighting the wide variety of jobs and training opportunities our trust has to offer. The event was a great success with hundreds of people attending to learn more about the roles within the NHS and at DCH.

March 2024
Our Infant Feeding team achieved the UNICEF Stage 1 of the Baby Friendly Initiative (BFI) Accreditation.

The hospital was highly commended for the quality of the documents submitted and the thorough way in which the necessary processes to implement the Baby Friendly standards have been planned.

Strategy and Objectives

The trust's current strategy, launched in December 2021, focuses on three core themes: People, Place, and Partnership.

- **People:** We recognise our staff as our most valuable asset. This theme emphasises our commitment to fostering a welcoming, respectful, and inclusive environment where staff feel valued and empowered. We acknowledge the positive correlation between high staff satisfaction and improved patient experience and outcomes.
- **Partnership:** We envision ourselves as a vital collaborative force at the heart of improving our communities' well-being. This theme underscores our ongoing commitment to collaboration and partnership, which will be crucial to the development of the Dorset Integrated Care System (ICS).
- **Place:** We recognise that the NHS needs to adapt its service delivery model to align with the ambitions set forth for Integrated Care Systems. This theme focuses on moving away from institution-centric services and towards a more people-centred approach co-designed with our communities, prioritising citizenship and empowerment.

These themes have become a unifying force within the trust, embedded in our everyday language. The strategy undergoes regular reviews and involving senior leaders and the Board of Directors every six months. This ensures the strategy remains relevant, ambitious, forward-looking, and achievable. For the 2023/24 period, the trust maintained its strategic priorities from the previous year:

- Post-pandemic elective recovery
- Improving patient flow through the hospital
- Driving financial sustainability

Strengthening Collaboration

Throughout 2023/24, the trust solidified its relationship with Dorset Healthcare University NHS Foundation Trust, agreeing to work towards a federated model. In the first quarter, both trusts appointed a joint Chair and Chief Executive. Most executive roles were subsequently merged, resulting in a unified executive team.

Dorset Healthcare University NHS Foundation Trust offers a broad range of services, notably community and mental health provision throughout Dorset. The partnership aims to:

- Enhance the health and well-being of our communities and service users.
- Improve patient and staff experiences of care and support.
- Increase productivity through streamlined clinical services, pathways, and support functions.

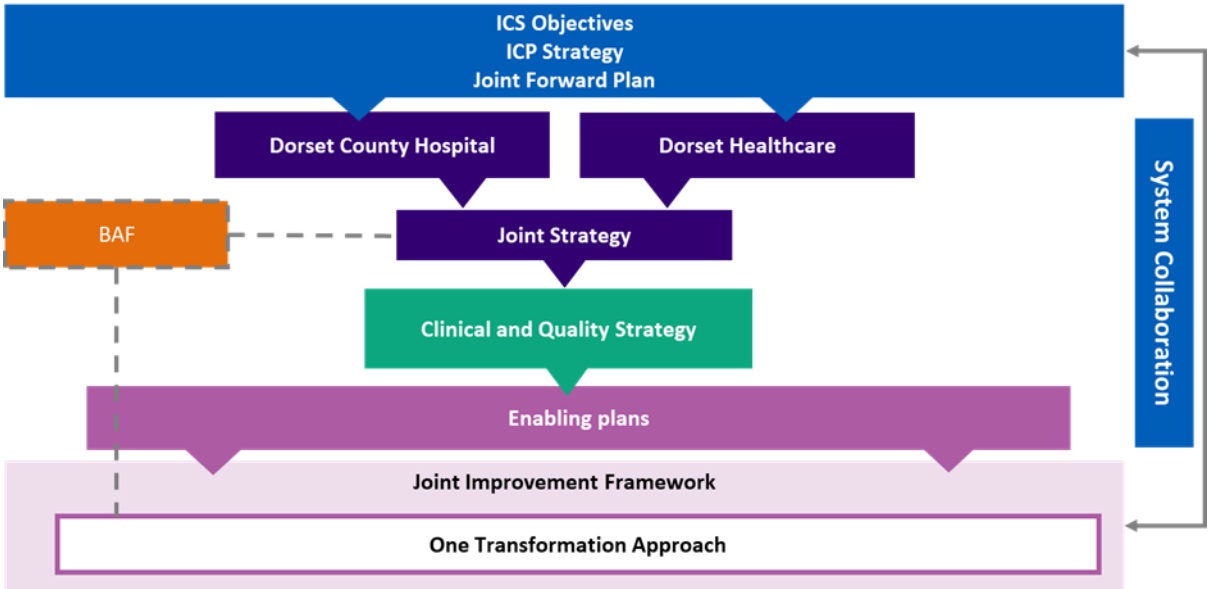
Joint Strategy Development

In September 2023, we embarked on developing a joint strategy. The final document is scheduled for approval by both trusts in May and June 2024. The new strategy acknowledges and reflects the establishment of Dorset's Integrated Care System, the Integrated Care Partnership strategy, and the Joint Forward Plan.

The scope of the joint strategy encompasses the creation of:

- Joint vision and mission statements
- The strategy document itself
- Strategic objectives
- Implementation plan

The strategic framework below shows the two trusts working closely together but remaining independent organisations that are connected by a joint strategy, aligned to the system imperative and supported by the enabling plans. Delivery is accomplished by the Improvement Framework and the ‘One Transformation’ approach.



We are also developing a joint improvement framework that outlines how improvement occurs across the two the trusts and fosters a culture of motivation and continuous improvement for our 10,000 staff. This framework integrates the "One Transformation Approach," which prioritises and executes large-scale programmes to achieve our mission. The resulting unified view of all transformation efforts across both trusts will offer a comprehensive overview of ongoing changes, facilitating reporting, escalation, change management, and the realisation of benefits at scale.

Stakeholder Engagement
The joint strategy development process involved significant engagement with various stakeholders:

- Communities, residents, patients, and service users
- Trust staff
- Partner organisations, including health and ICS partners, the voluntary sector, community groups, and social enterprises

We also engaged robustly with University Hospitals Dorset NHS Foundation Trust, the other major acute provider in Dorset.

Work is ongoing to finalise the joint organisational priorities for 2024/25. This incorporates the first year's plan for the joint strategy, the Joint Forward Plan, NHS operational and planning guidance, and the operational ambitions of both trusts. Priorities for 2024/25 will be approved by the Board in July 2024.

Key Issues and Risks

The trust's Board Assurance Framework (BAF) continues to effectively capture risks associated with implementing our strategy and realising its benefits. The BAF outlines and scores strategic risks, identifies mitigation strategies, and tracks progress in reducing those risks. It is reviewed bimonthly by Board committees as part of the trust's wider governance framework. High levels of engagement from risk owners and the leadership team have been critical to the BAF's success, fostering effective risk management and mitigation throughout the year.

The trust leadership continually evaluates the BAF's effectiveness and has implemented refinements throughout the year. This ongoing review process will continue in 2024/25. Further strengthening governance arrangements and oversight, a joint Director of Corporate Affairs was appointed in April 2024.

The BAF summarises 30 Strategic risks that the Trust faces and organises them under 11 Objectives – with each scored (1-20) according to how the delivery of the objective is being affected. The scoring mechanism is the agreed joint scoring matrix for risk likelihood and severity used across both Trusts. Mitigations and controls for each risk are then discussed, and reviewed each month, with a target date for delivery and a target score for the degree to which they will reduce the risks. The BAF is closely cross referenced to the Corporate Risk Register (CRR) whose risks can be linked to discrete BAF risks, and this is reviewed regularly at Board Development sessions (the last one being in Jan-24). Any new emerging risks highlighted in the CRR will thus feed into the BAF and inform the Board on risks to strategic objectives delivery. The risk statement of the Trust was also reviewed in Jan-24, to reflect the Strategic Objectives and Risks.

The principal risks are the themed according to our strategy; People, Place and Partnership.

The **People** objectives are:

- We will build a Culture of Wellbeing and Inclusion
- Recruitment & Retention
- Learning and development and workforce modernisation

The key risks in summary are that we do not create a culture focused on wellbeing and inclusion, we fail to recruit and retain staff to meet our strategic ambitions and we are unable to develop a sustainable workforce.

The following Board sub-committees have oversight, seek assurance, identify gaps and resolution; People and Culture Committee, Finance and Performance Committee, and Quality Committee.

The summary of mitigations and controls include the People Plan which includes equality, diversity and inclusion (EDI), wellbeing, staff engagement and recognition, recruitment and retention plans, as well as workforce planning.

The **Place** objectives are:

- We will deliver safe, effective and high-quality personalised care for every patient focussing on what matters to every individual
- We will build sustainable infrastructure to meet the changing needs of the population
- We will utilise digital technology to better integrate with our partners and meet the needs of patients
- We will listen to our communities, recognise their different needs and help create opportunities for people to improve their own health and wellbeing and co-designing services

The key risks in summary are the population demand increases beyond our capacity to service it, we cannot meet national standards and improve population health concurrently, unscheduled pathways cannot cope with demand, a lack of effective partnership working, lack of resources to transform services and we do not gain approval for an Electronic Health Record.

The following Board sub-committees have oversight, seek assurance, identify gaps and resolution; People and Culture Committee, Finance and Performance Committee, Quality Committee, and Risk and Audit Committee.

The summary of mitigations and controls include the People Plan, increasing external income, implementation of the Quality Plan, Elective Recovery Plan, system emergency care pathway redesign and performance monitoring and reporting.

The **Partnership** objectives are:

- We will contribute to a strong, effective Integrated Care System, focussed on meeting the needs of the population
- We will ensure best value for the population in all that we do and we will create partnerships with commercial, voluntary and social enterprise organisations to address key challenges in innovative and cost-effective ways
- We will increase the capacity and resilience of our services by working with our provider collaboratives and networks and developing centres of excellence
- We will work together to reduce unwarranted clinical variation across Dorset
- Through partnership working we will contribute to helping improve the economic, social and environmental wellbeing of local communities

The key risks in summary are a misalignment between the trust and Integrated Care System (ICS), a lack of population health data, failing to deliver a financial breakeven position, a lack

of effective partnership working and a lack of focus in the social and economic wellbeing of the communities we serve.

The summary of mitigations and controls are active participation in ICS forums, investment in business intelligence, working within the ICS financial framework, a robust cost improvement programme and a mature social value programme

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. Capacity for Change

Balancing Change and Delivery

The trust navigates a complex landscape of growing financial and operational challenges, both internally and within the wider Dorset health and care system. These require short-term solutions while we pursue long-term organisational and system change. We effectively manage the competing demands of maintaining high-quality care, responding to immediate priorities, and dedicating resources to our long-term strategy.

Moving forwards, we plan to better manage this balance via the use of a prioritisation framework, developed to allow us to understand the breadth of change across the organisation and ensure that our resources are best placed to deliver the most meaningful changes to the organisations.

Investing in the Future

The trust participates in the New Hospital Programme, a long-term project to expand our Emergency Department, Intensive Care Unit, and integrate community services on-site. This will enhance the sustainability of these critical services. Groundwork for the new buildings is well underway. Prior to this, the trust secured £15m funding to refurbish the current Emergency Department, which is better equipped to manage demand here and now. It has been designed with careful thought to ensure that another service will be able to take advantage of this refurbished space following delivery of the expanded Emergency Department as part of the New Hospitals Programme.

The trust also received £14 million to build a permanent Outpatient Assessment Centre (OAC) in South Walks House, Dorchester. Two clinical floors are already operational, with work ongoing to complete the administrative floors. This innovative centre reimagines healthcare delivery, placing the patient at the heart of care and fostering collaboration between NHS and voluntary community and social enterprise (VCSE) partners. In doing so, patients attend fewer appointments, and the backlog of outpatient appointments following the Covid-19 pandemic are being reduced. Additionally, we completed the expansion of our discharge lounge, funded by £2 million of public funding, which helps improve patient flow and care delivery in the right setting.

In addition, the Trust is working with NHS partners in Dorset and the Somerset ICS to write an Outline Business Case for a shared Electronic Health Record. This is a significant and transformational piece of work for both ICS's.

Strengthened Financial Oversight

The trust is committed to delivering a financial breakeven position. To do so, we ensure business plans focus on essential needs aligned with our strategic objectives. The Board and committees utilise the Executive Dashboard, a balanced scorecard that employs statistical process to monitor progress.

Going Concern Statement

International Accounting Standard 1 (IAS 1) requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the trust without the transfer of its services to another entity within the public sector.

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.

In 2023/24 the trust is reporting a deficit of £2.3 million but this is reduced to £0.05 million after technical adjustments for impairments £2.0 million and capital donations impact for £0.25 million. The trust had a closing cash position of £8.8 million as at 31st March 2024.

The trust has submitted a planned break-even position for 2024/25 and a closing cash position of £5.8 million. The Trust has received approval from NHS England for interim PDC revenue support of £5.1 million in 2024/25. Similar projections are anticipated during the 1st quarter of 2025/26.

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

Summary of Operational Performance

The trust's Emergency Department has seen performance improvement against the four-hour standard, which have been sustained throughout the year. This has been achieved despite an increase in the number of patients attending the Emergency Department. Through effective system working with other partner organisations and with tried and tested surge plans, the increase in demand has been managed safety. 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 have reduced in year, with the trust eradicating patients waiting over 78 weeks for treatment, except for 21 patients due to patient choice or complex care needs, all of which will be treated by the end of May 2024. The trust has a trajectory to have no patients waiting over 65 weeks for treatment by September 2024.

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 by 1,226 patients in the report year, which translates to growth of 5.68%. With productivity gains planned throughout the coming year and improving hospital flow, it is expected this level of growth will slow to 4.2% for 2024/25.

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 of the 28 days to diagnosis, has been achieved in the last quarter of the year and is forecasted to achieve the standard in 2024/25. The waiting list size has fluctuated month on month, but compared to the previous year it has not grown and the backlog size (patients waiting over 62 days for treatment) met the trajectory, with 70 or less patients at the end of March 2024. Whilst performance delivered against the Cancer 62-day treatment standard has fluctuated month on month, it should be noted that figures having been driven to some extent by the relatively small Cancer Department.

Referral demand has increased by 3.92% compared to 2022/23 and to keep up with this demand, the trust has increased the level of activity and delivered key transformation programmes such as the introduction of Artificial Intelligence (AI) pilot in Dermatology. Whilst still in its infancy, the use of AI is showing positive signs of identifying non-cancerous patients and thus is reducing the demand for cancer two week wait appointments.

Performance against the six-week diagnostic standard has improved throughout the year, ending with 84.54% of patients having their diagnostic test within six weeks. Diagnostic services have seen an increase in demand via the emergency and elective pathways because of increase demand at the front door, increase in cancer two week wait referrals and an increase in elective activity as part of the elective recovery programme. The increase

in demand has been managed with additional capacity being made available through the opening of the Community Diagnostic Centres (CDCs) and a reduction in vacancy rates for Radiologists.

The trust recognises that maintaining and improving performance standards in 2024/25 will present ongoing challenges due to national shortages of key medical personal. The trust also recognises that a laser focus on efficiency and productivity will be required, to achieve the targets set out in the 2024/25 planning guidance published by NHS England. Teams remain committed to reducing waiting times for elective pathways and to improving patient flow throughout the hospital. The creation of a federation operating model between Dorset County Hospital NHS Foundation Trust and Dorset Healthcare University NHS Foundation Trust has already realised opportunities this year and further collaboration with system partners to utilise the capacity and available resources at a system level, rather than an organisational one, will be to the benefit of local communities and patients.

Financial Performance

In 2023/24, the trust's financial plan recognised the increased demand for NHS services, bringing with it further financial pressures due to the need to address the recovery of elective services waiting lists because of the COVID-19 pandemic, which have been experienced across the country. The Dorset Integrated Care System submitted a break-even position with the trust submitting a small deficit of £0.05 million 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 £2.3 million before technical accounting adjustments, which equates to approximately 0.75% 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 £0.3 million and impairment movements in year of £2.0 million from the operating deficit position, in line with accounting guidance.

Table 1 : Financial Performance against Plan	2023/24 Plan £ millions	2023/24 Actual £ millions	Variance £ millions
Total income	273.0	307.7	34.7
Total expenses	(272.7)	(310.0)	(37.3)
Operating (deficit)/surplus	0.3	(2.3)	(2.6)
Capital donations	(0.7)	(0.2)	0.5
Donated depreciation	0.4	0.5	0.1
Impairments	0.0	2.0	2.0
Adjusted (deficit)/surplus	0.0	0.0	0.0

Performance Against Plan

Income exceeded the financial plan, leading to a favourable variance of £34.7 million. Of this variance £7.4 million related to additional employer pension contributions paid by NHS England, £0.1 million related to the pay offer, £0.1 million for consumables (Personal Protective Equipment) from the Department of Health and Social Care, £18.9 million related

to NHS commissioner funding to support additional spending and projects, £3.3 million hosted project funding, £2.0 million project income and £2.9 million of additional high-cost drugs.

Expenditure was £37.3 million above plan, of which £7.4 million related to the additional employer pension contributions paid by NHS England on our behalf, £0.1 million related to the pay offer, £0.1 million for consumables (largely Personal Protective Equipment) from the Department of Health and Social Care, £3.3 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, £19.5 million delivering activity pressures and £2.0 million for impairments made in line with accounting guidance.

The capital donated assets were behind plan by £0.6 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 £6.6 million. This included a charge to the Revaluation Reserve of £5.2 million for impairments and a charge to other operating expenses in the Consolidated Statement of Comprehensive Income for impairments of £2.0 million and reversals of impairments of £0.6 million.

Trends in Income and Expenditure

The charts below show the trends in income and expenditure over the five-year period from 2019/20 to 2023/24.

Chart 1: Income £000s

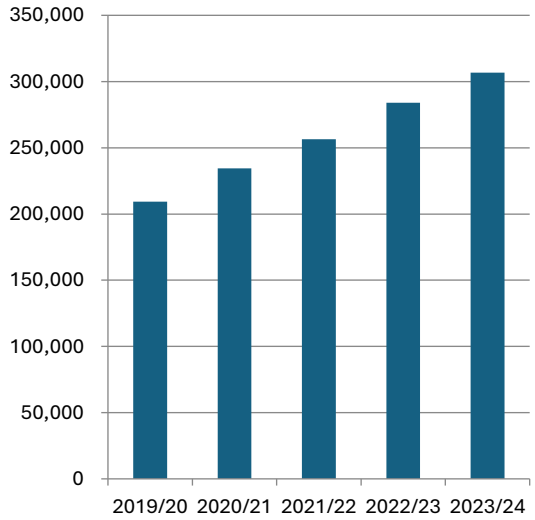
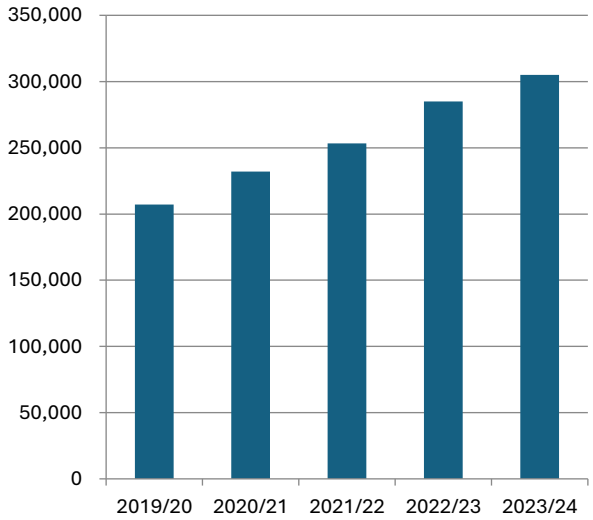


Chart 2: Expenditure £000s



Trends

Chart 1 shows the growth in income over the five-year period from April 2019 to March 2024. This growth in income is at an average rate of 12% 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.

Cost Improvement Programme
The trust delivered £4.0 million of cost improvements in 2023/24. The trust delivered procurement savings, corporate savings generated from joint posts, digital programme savings delivery along with non-recurrent slippage against existing planned budgets.

Cash Flow
The trust ended the year with £8.8 million cash. This was a decrease of £10.0 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 2023/24, the trust received charitable grants for capital projects from the Charity of £0.2 million.

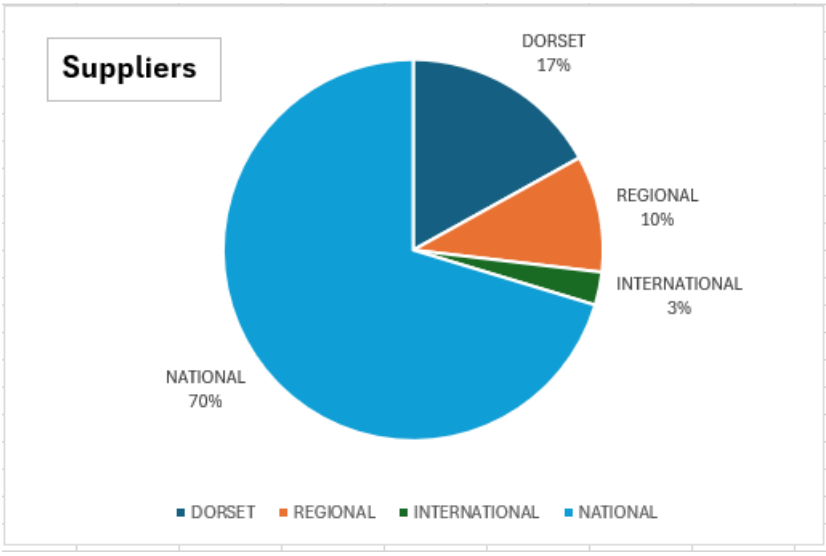
Capital Expenditure
Capital expenditure during 2023/24 was focused on the elective recovery projects for South Walks House and Ridgeway Ward, staff accommodation units, backlog maintenance, medical equipment, investment in digital projects and design costs for the New Hospital Programme. The trust's capital plan is set through a risk-based approach to ensure continuity of patient care. The trust set its capital plan at £29.0 million and incurred expenditure of £26.9 million. The underspend was due to timing of right of use asset expenditure offset by additional Public Dividend Capital received relating to elective recovery support and digital transformation.

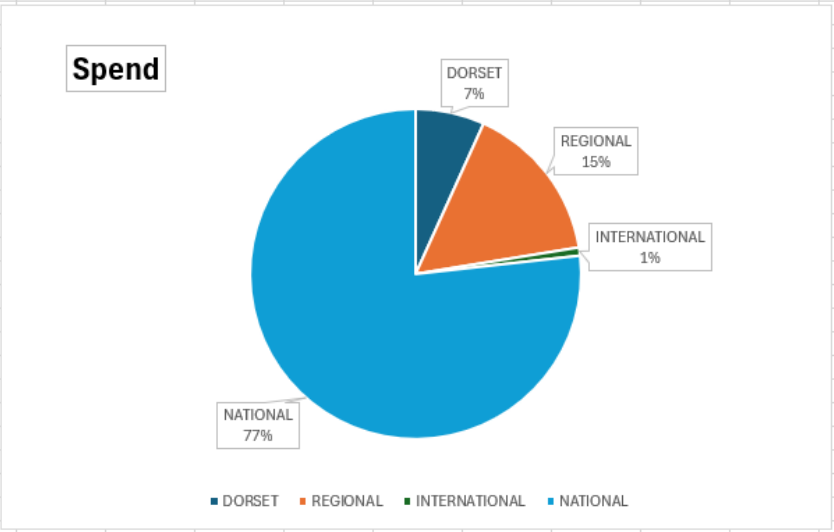
Social Value
The Finance and Procurement teams continue to support the trust in the delivery of its objectives linked to its Social Value pledge. These objectives have been addressed as follows:

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 underway. 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	Work is on-going to update the Procurement section on the Internet so that a high-level pipeline of opportunities is visible to suppliers,

projects and be able to contact through the internet	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

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.

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 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.

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 are at risk of widening with the ongoing economic challenges facing the country. The cost of living crisis impacts rural communities such as West Dorset, disproportionately and those from ethnic minority groups, individuals with learning disabilities. Those people that are from areas of deprivation or are suffering from mental health conditions are most likely to experience further widening of health inequalities. Waiting list performance by ethnicity, learning disability and deprivation has been reported via the trust's Finance and Performance Committee. In the last year, the trust has introduced more ways for patients to contact members of the team, including text messaging to cancel appointments and emails directly to patients, to remove the need to wait on hold in telephone queues and to reduce any costs for the patients associated with a telephone call. The trust also continues to offer virtual appointments where clinically appropriate, reducing travel costs for patients and offering a more flexible approach, which may better support family life and those with dependents.

The trust has established a Health Inequalities Group to determine the areas of focus and key improvement opportunities to address disparity and reduce unwarranted variation in health outcomes of the local population. Analysis of DiiS (Dorset Information and Intelligence System) has identified the following areas of note:

Statistical differences in Experiences and Outcomes at DCH

- Patients from the most deprived communities (the 'Core20') are over-represented among emergency department (ED) patients, on diagnostic waiting lists and among

emergency admissions. They experience longer waits for treatment in Maxillofacial, General Surgery and Ophthalmology. They have higher did-not-attend (DNA) rates.

- Patients from community minorities have a comparative experience to the White British population, the main exception to this is a higher DNA rate.
- There were a number of differences for patients with Learning Disabilities: longer waits for treatment, higher DNA rates and a high proportion of ED regular attenders.
- There are also differences for patients with Serious Mental Illness: much higher DNA rates, over-representation in ED users and emergency admissions, and a longer wait for Urology treatment.
- Community minorities are: half as likely to smoke, more likely to deliver in hospital, more likely to have a caesarian delivery and more likely to attempt breast feeding.
- Mothers from the most deprived communities are: twice as likely to smoke, less likely to have an intervention during delivery, and are less likely to attempt breast feeding.
- Cancer diagnoses in people from Community Minorities or from the most deprived areas are more likely to be late stage (Stages 3 and 4).
- Hypertension is less prevalent among the most deprived communities which is counter intuitive.

Early work, led by Dr Will McConnell, has utilised population health data from DiiS to refine delivery of local services for those with respiratory conditions in the Weymouth and Portland populations. This work informs the principles of best practice for clinical engagement and service delivery and will be considered in the Health Inequalities Strategy and future models of care.

The trust is committed to building on its collaboration and federated relationship with Dorset Healthcare University NHS Foundation Trust, and to work with Dorset System Partners on the delivery of CORE20Plus5 for adults and children and agreed priorities for EDS2 for 2024/25. This will build on the analysis to date, pilot schemes, work on Accessible Information Standards and the development of Health Literacy skills as being led by the Library team at DCH.

Staffing levels across the trust have continued to be challenged, particularly in specialist areas such as Oncology. This is a risk seen throughout the country, which has driven high use of agency in the past. However, in quarter 4 of 2023/24 the use of agency staff reduced, as the success of overseas recruitment and other local initiatives came to fruition. Looking ahead to 2024/25 the trust is forecasting an improved vacancy rate and a further reduction on the use of agency staff.

Moving into 2024/25, the Elective Recovery Fund (ERF) will continue for the elective element of the trust's income. This will mean activity targets, which are set nationally, will need to be hit to earn the required income, to deliver the level of activity needed to achieve the performance targets. This is an emerging risk and will require much tighter financial controls and a focus on productivity if the trust is to operate within the designated budget. It also presents opportunity, with over delivery of activity generating additional income, but only where the wider system hits the collective activity target.

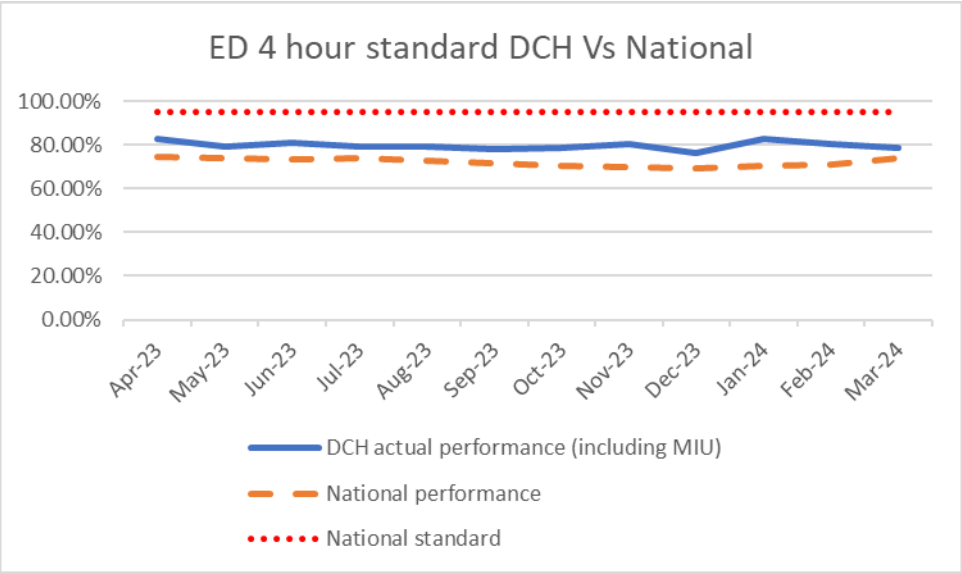
The trust's performance trajectories were agreed as part of the 2024/25 contracting round and included the following five key performance indicators:

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

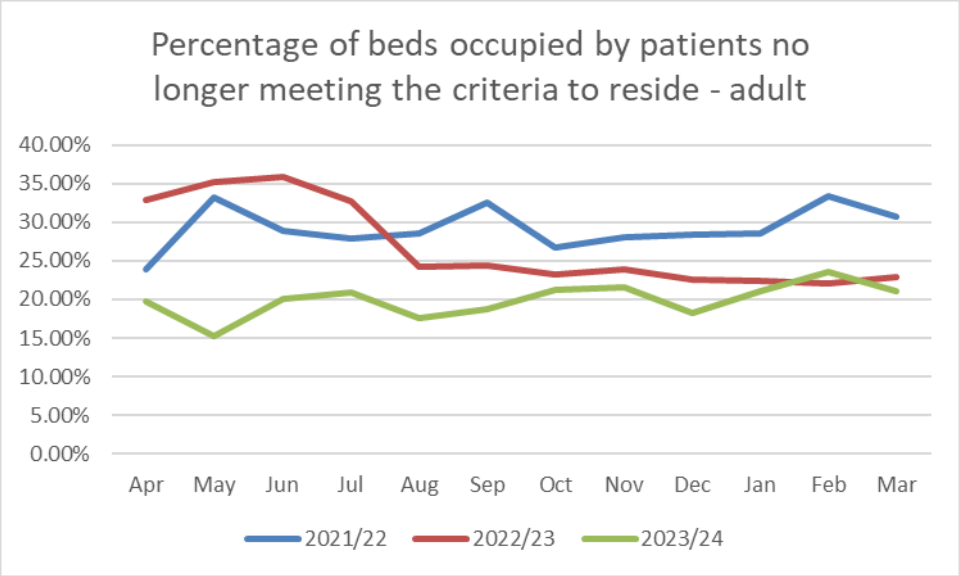
Operational Performance: The Emergency Department

The Emergency Department experienced an increase in demand during 2023/24, with 9.63% more attendances than the previous year and a 13.24% increase when compared to the pre-covid comparable year (2019/20). The department experienced a 34.81% increase in the number of patients admitted to the hospital via the Emergency Department which equated to 5,248 more patients admitted to a care setting. This growth has been caused by an increase in demand at the front door and a return to admitting patients appropriately to care settings, such as wards, that otherwise were being held in Emergency Department resulting in 12-hour breaches and poor performance against the four-hour standard.

The combined Type 1 and Type 3 performance (Emergency Department and Urgent Care Centre) did not achieve the national standard for the reporting year 2023/24 but did achieve the improvement trajectory. Performance all year tracked above the national performance target. This performance was achieved against the backdrop of demand increases and the operational challenges that restrict hospital flow due to the continued high levels of patients with remaining in hospital with no reason to reside.

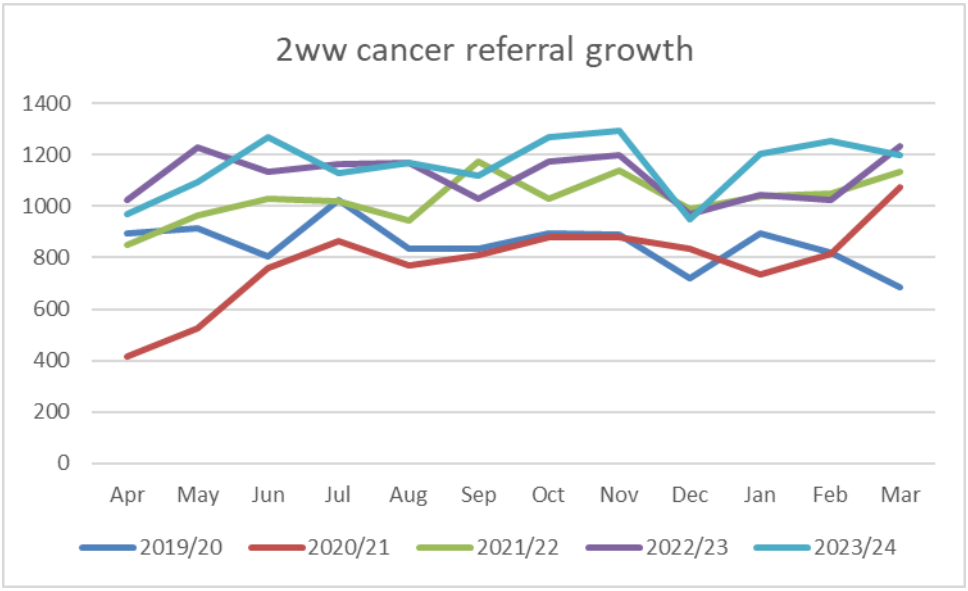


For 2023/24, the trust continued to see the percentage of beds that were occupied by patients with 'no reason to reside' being lower than during the previous two years. These are patients that are medically fit for discharge but are waiting an ongoing care package to enable them to go home or return to an out of hospital care setting. This decrease follows a multiple stranded plan, working with system partners and the Council in a multidisciplinary way, ensuring discharge planning starts at admission.



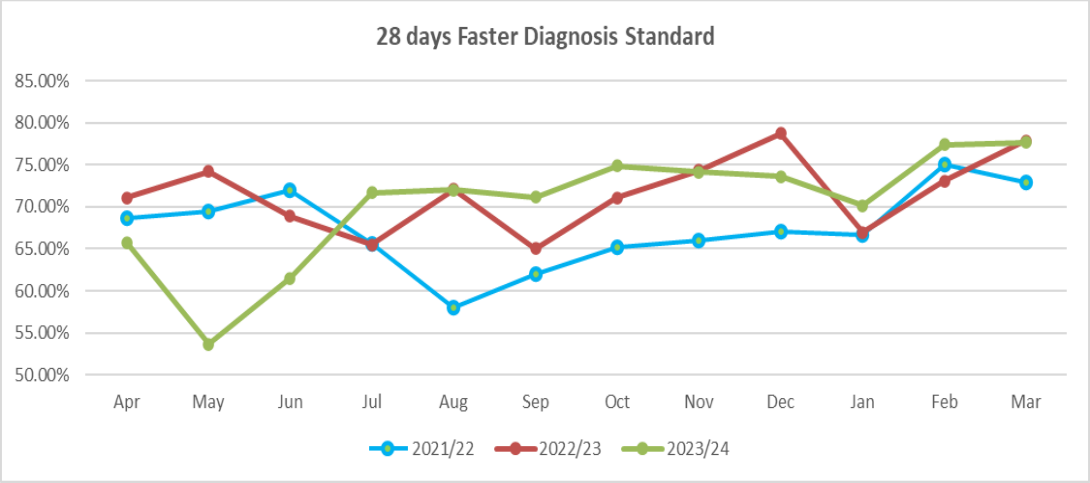
Operational Performance: Cancer Waiting Times

The trust has experienced another year of increases in the demand for cancer's services. The number of referrals to the two-week referral pathway increased by 3.92%% compared to 2022/23 and 36.30% compared to 2019/20, the pre-covid comparable year.

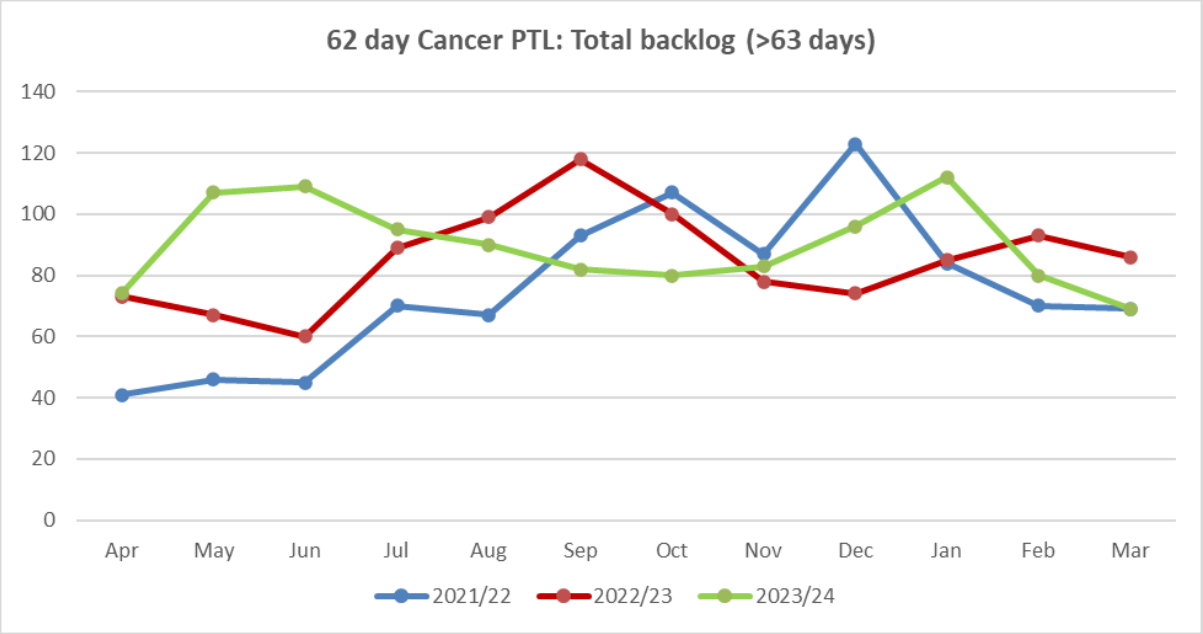


Performance against the cancer waiting time standards was impacted because of the increase in demand. This has resulted in patients waiting longer for assessment and treatment appointments at points in the year.

Performance against the 28 day standard, which requires 75% of patients to be diagnosed and informed of their cancer, or non-cancer diagnosis, within 28 days of referral achieved the standard by the end of the year, an improved position on the previous two years.

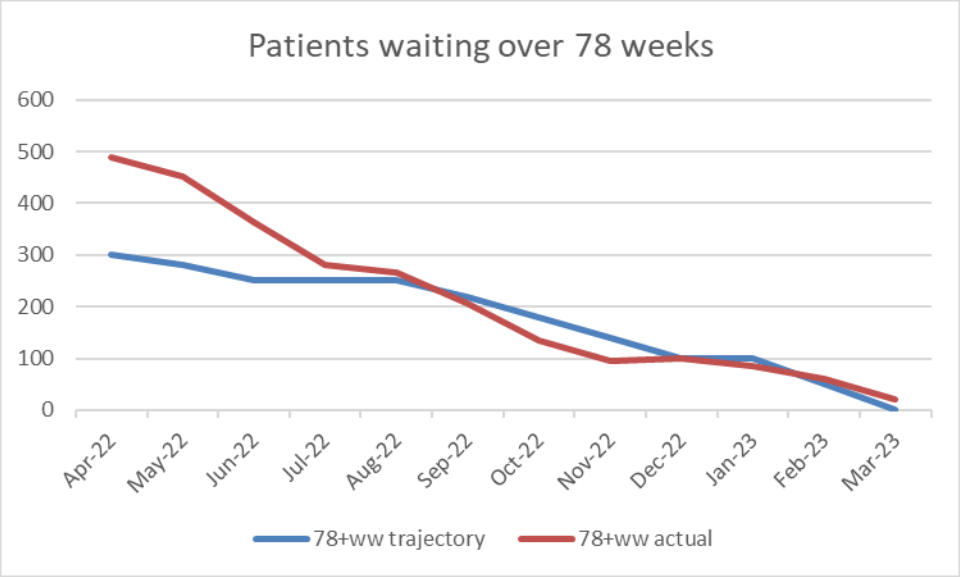


Despite the increase in demand, the trust has seen an overall reduction in the size of the cancer 62 day backlog. The backlog at the start of the year was high, but by August, was lower than it has been for the last two years. Achievement of this has been due to the commitment of the clinical and administrative workforce, which supports cancer patients through their pathway in a timely manner, which supports the best clinical outcome.

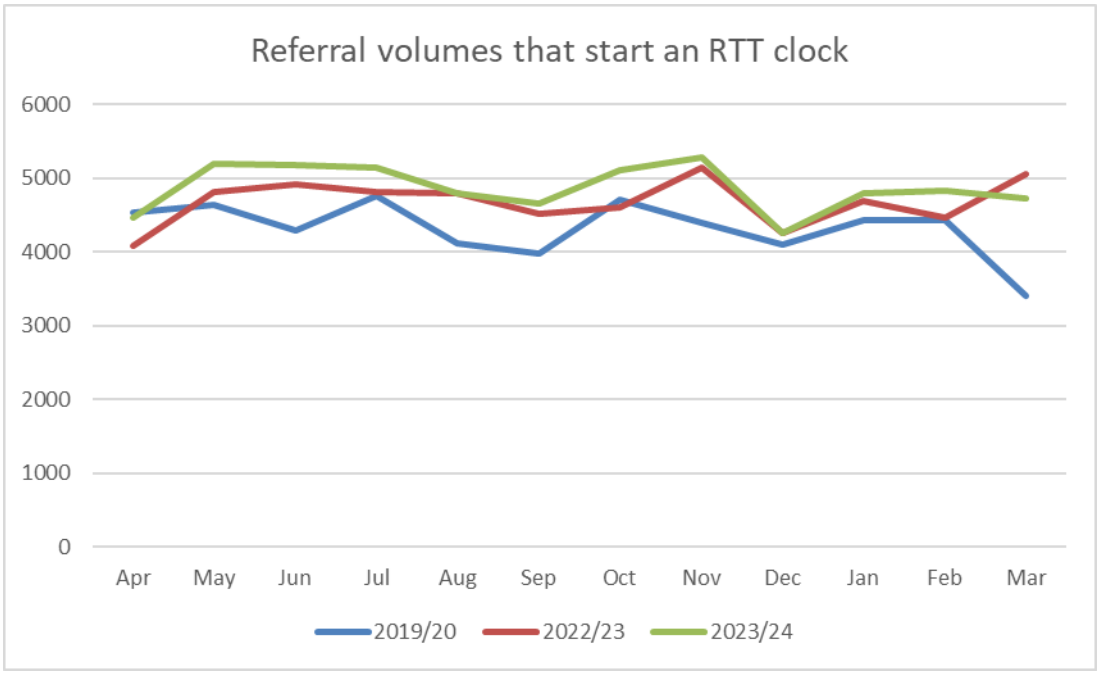


Operational Performance: Referral to Treatment Times

In response to the national elective care waiting list recovery programme, the focus was on irradiating the longest waiters. At the end of 2023/24, the trust had treated all patients waiting over 78 weeks and had 21 patients waiting over 78 weeks, all of which were due to patient choice or a complex pathway.



Referral volumes for the financial year 2023/24 increased by 10.37% when compared to 2019/20 (baseline year pre COVID) and 4.22% when compared to the previous year. As a result, the total waiting list has grown from 20,352 to 21,578.

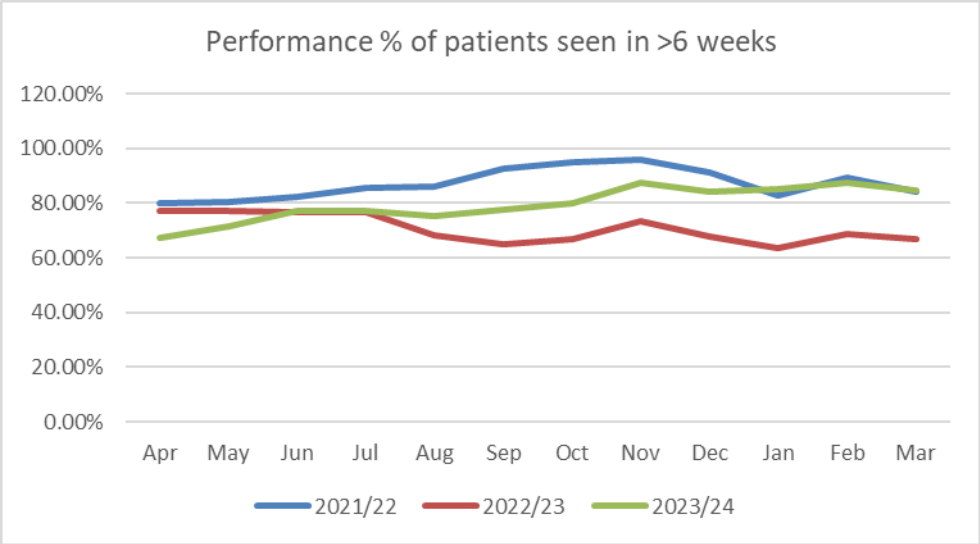


Although this put further pressure on services, the trust was pleased to see that patients were accessing the care and treatment they needed. The trust has responded by increasing capacity within the constraints of available resources.

Operational Performance: Diagnostic Waiting Times

Diagnostic performance against the six-week waiting time standard has performed well compared to the previous year, with performance in the last four months being the same or better than the last two years. The demand increases for both elective and non-elective pathways has put considerable pressure on diagnostic services. Achievement of 95% within

six weeks standard is required by March 2025. The trust acknowledges that additional capacity will be required to achieve this.



Pathway re-design is critical to managing the high levels of demand and the Trust is working with system partners to maximise the use of the new Community Diagnostic Centres. 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.

In a normal operating year of a secondary care organisation there are known risks and pressures that are planned for such as winter pressures, the influx in population during the summer months and the impact they have on business as usual.

For the year 2023/24 a new risk for the NHS was the industrial action taken by many of the clinical disciplines. The industrial action significantly impacted the trust's ability to run business as usual. To minimise and mitigate the disruption to services, a trust wide group was established to ensure that the site operated at safe levels at times of industrial action, and that as much activity could take place as possible, to ensure that the impact our patients was reduced or mitigated wherever possible. The group members included Communication, Patient Advice and Liaison and Staff Support Services to ensure the needs of our staff and patients were central to planning and agreed actions.

Environmental Performance

The Health and Care Act 2022, passed in July 2022, embedded carbon reduction targets for the NHS into UK law. This legislation requires that NHS Foundation Trusts must have regard to the Environment Act 2021 target areas including air quality; water; biodiversity, resource efficiency and waste reduction. This report focuses on these areas, together with Green Plan progress, exemplar projects and challenges ahead with a reflection on local audits, including senior leadership flagging a part internal sustainability audit over the last year. The global community are halfway through the Sustainable Development Goals (SDG), set by a UN summit in 2015, these relate to sustainability and social value, together with an update of the Dorset-wide Trust's use of a revised 'Sustainable Development Assessment Tool (SDAT) 2.' The original tool was used by trusts across England and has been updated by University Hospitals Dorset. Dorset County Hospital (DCH) has no historic SDAT data collection and has reviewed the tool to unlock sustainable development and climate related issues in conversations with managers.

Sustainable Development Goals

The sustainable development goals set out a wide range of ambitions including reducing poverty, hunger, and delivering clean water, sanitation and the responsible use of the earth's resources, protecting and nurturing the natural world in ways that sustain humanity and the environment.

During 2023/24 The sustainability team began populating 'SDAT2' alongside the other Dorset NHS Trusts, to evaluate this tool as a potential Key Performance Indicator.

SDAT is a sustainable development assessment tool and is completely qualitative and incorporates targets set within NZ Delivery Tech Annex Targets.

It includes Procurement Roadmap Targets, NHS Standard Contract 2022/23, National Standard for Healthcare Food and Drink, NHS Clinical Waste Strategy 2023 and it is customisable according to the trusts green travel plan. DCH hasn't populated the old SDAT details before, so is taking previous financial years figures as the datum baseline.

The sustainability team populate the IMPACT Social Value tool of the Trust, which is shared with senior leadership. Sustainability data is added on the staff take up of Green Pledge Platform 'EcoEarn,' and Green Plan targets progress and initiatives such as Dorset NHS Trusts' 'Sustainability Day.' This day is set to be an annual event and in July 2023 focused on low carbon travel.

Net Zero Carbon Progress

https://www.england.nhs.uk/greenernhs/a-net-zero-nhs/

The climate emergency is a health emergency. Climate change threatens the foundations of good health, with direct and immediate consequences for our patients, the public and the NHS. The situation is getting worse, with nine out of the 10 hottest years on record occurring in the last decade and more than 2,500 people killed by heatwaves across the UK in 2020. Climate change, emergency, crisis are used inter-changeably, and clarity is needed that the variances of weather are not the same as a shift in the overall climate. In its Sustainability Policy review of 2023 the trust asserted its commitment to reaching these targets.

In the 2022/23 report, the NHS carbon targets are defined against 1990 levels to allow comparison with the UK Climate Change Act (2008) targets requiring 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 (NHS Footprint)
- 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 (NHS Footprint Plus)

In 2023 The NHS defined these national targets against a 2019/20 baseline in line with the Delivering a Net Zero NHS Report and has given estimates for each trust.

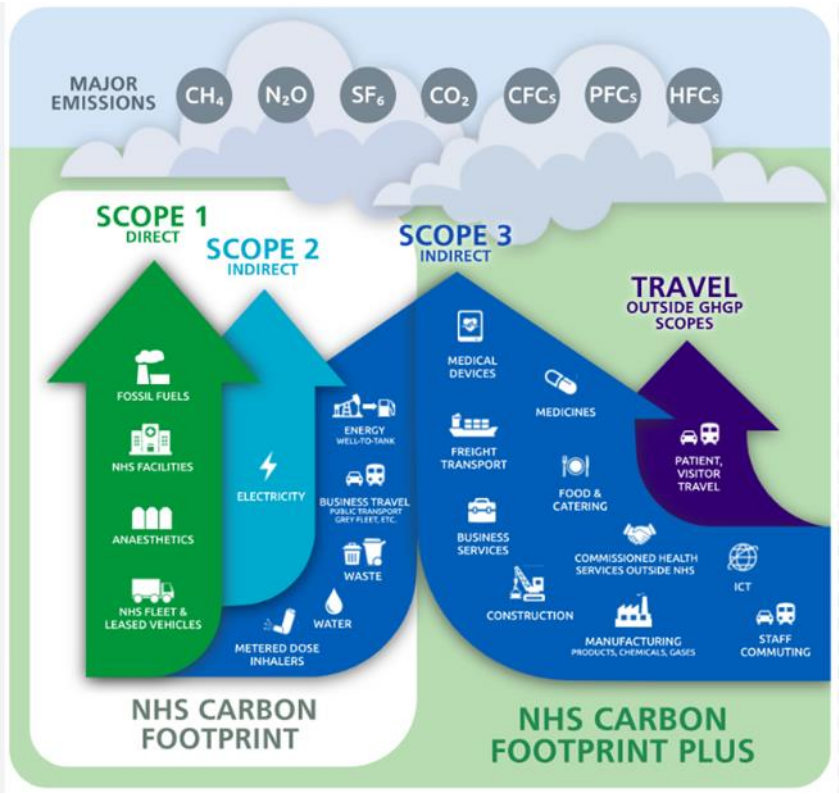
- Reach net zero NHS Carbon Footprint by 2040, reducing emissions by at least 47% by 2028-2032
- Reach net zero NHS Carbon Footprint Plus by 2045, reducing emissions by at least 73% by 2036-2038

Essentially the same targets by 2040 & 2045 that are reset against 2019/20 information to reflect progress since 1990, which includes increasing decarbonisation of the National Grid, as well as NHS actions, reducing CO2e by 30%.

NHS guidance is to reduce CO2e emissions as far as possible, before looking at offsetting for any final remaining CO2e.

Scope 1, 2 & 3

For all Environmental Social Governance Reporting (EDG), larger companies, with over 500 employees, or with a turnover of £5M in the UK and EU must report on ESG, report on Scope 1, 2, and 3. NHS England has defined Scope 1, 2, and 3 emissions for NHS trusts as 'Carbon Footprint' and 'Carbon Footprint Plus.'



In ESG reporting, companies determine the materiality of different sustainability criteria to report on, the Green Plan themes set the scene for NHS Trusts.

Task force on climate-related disclosures (TCFD)

NHS England's NHS foundation trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24. These disclosures [are provided below with appropriate cross referencing to relevant information elsewhere in the annual report and accounts and in other external publications, for example Dorset County Hospital Foundation Trust Green Plan

Governance Pillar

The Board's oversight of climate-related issues stems from representation by, and reporting lines of the Sustainability Working Group to the Finance and Performance Committee, and Chief Financial Officer. Finance and Performance Committee escalations are the primary means of informing the Board with ad hoc as a secondary means.

This includes on climate-related issues and progress towards Green Plan targets. Further governance linking to the Board is an Energy Efficiency group, formed in 2023, reporting to

the Senior Leadership Group, Capital Projects Space Utilisation Group and the Board. This is timed as decisions are needed to progress energy efficiency funding applications, developing a decarbonisation plan, carbon trajectory model and energy strategy,

During this year all Dorset Trust Greener leads developed a scope for Board training in Sustainability funded by the ICS, this will be delivered by the Centre for Sustainable Health Care and introduced by Sustainability Managers to implement in 2024/5. This is to bring sustainability understanding and strengthen the pillar of governance.

The Trust achieving net zero carbon was also placed on the Risk Register during 2023/4.

Trust Managers set actions and priorities within the 10 Green Plan themes, the materiality of actions that aim to reduce significant sources of CO_2e, for example in 2023/4 focusing on building energy. Other areas are spurred on by national initiatives or shared good practice e.g. reduction in anaesthetic gases, greener theatres or ICS actions, such as increasing use of more carbon friendly asthma inhalers. The DCHFT Green Plan[1] 2022/23-2024/5 focuses on these theme and work has begun on reviewing this Green Plan route to net zero carbon, and at a high-level joint plan with Dorset Health Care Trust in early 2024. The Green Plan sits under the Dorset ICS Green Plan 2022.[2]

A heat decarbonisation plan was commissioned during 2023/4 which tackles risks and opportunities for climate related issues for building energy, developing with an energy efficiency team, reporting updates to Sustainability Working Group (SWG), with representatives across Estates & Facilities Management, Senior Mechanical Officers, Strategy and Sustainability. This was presented to Senior Leadership Group (SLG) in spring 2024. The SLG and Capital Space Utilisation Group will review more details of potential climate related carbon reduction options of the plan such as cavity wall insulation, solar and technological economic investigation of ground source and geothermal projects, requiring grant applications and match funding. This will be timely and planned as part of the new energy strategy.

Further ways the Board considers climate-related issues when reviewing organisational plans and monitoring performance is through a recently updated Sustainability Policy and Sustainable Procurement Policy. Other policies reviews checklist must consider social value engagement or activity considerations.

Management and the Board are informed on sustainability issues via bimonthly escalation reports from the Sustainability Working Group, via the Finance and Performance Committee, prepared by the Sustainability Manager, and signed off by the Head of Estates (drawing 2: DCH Estates, March 2024 – Head of Estates, Sustainability Manager and remit). During 2024 The Head of Estates & Facilities became a joint role with Dorset HealthCare Trust Estates & Facilities.

There are several Green Plan theme leaders who develop sustainability practices in relation to their areas of expertise and bring this to the Sustainability Working Group. Furthermore, national best practice and examples are brought to the Dorset Green Leads group (of Dorset Trusts Sustainability Managers and Dorset Council Public Health) by Greener NHS South

[1] https://www.dchft.nhs.uk/wp-content/uploads/2022/02/Dorset-County-NHS-Trust-Green-Plan.pdf
[2] https://www.england.nhs.uk/south/wp-content/uploads/sites/6/2022/06/Dorset-ICS-Green-Plan-2022.pdf

West, the Greener NHS Hub and the Sustainability team following webinars, Institute of Environmental Management and Assessment (IEMA) and other organisations.

Climate related issues are fed via the Sustainability Champions Scheme and clinical case studies and initiatives, such as a champion trialling woodcasts in hand therapy. This trial reduced waste and electricity use, and associated carbon costs. The role of Sustainability Champions in delivering the Green Plan with a Greener NHS display was on site and adapted to the sustainability pages and DCH Arts in Hospital.

Goals and targets are monitored by a Green Plan Target tracker, fed into bi-monthly SWG meetings, to Finance and Performance Committee and the Chief Financial Officer. There are also direct communications and conversations. During 2023/24 the following Key Performance Indicators (KPIs) were adopted by SWG and escalated to Finance and Performance Committee for DCH sustainability and climate related goals.

1. Compliant Green Plan Targets Achieved %, include net zero carbon procurement (bimonthly)
2. Carbon Footprint – decreasing in line with NHSE targets (annual)
3. National Target for waste 60:20:20 (annual)
4. EcoEarn activity – increasing (quarterly)
5. Sustainable Development Assessment Tool 2 – maintain and improve score (annual)

Green Plan (2022/23 – 2025/26)

The materiality of reporting for NHS Trust's is defined by NHSE guidance on compliant Green Plan themes to address the major sources of carbon emissions, as a roadmap to Net Zero. These themes are:

1. Workforce and system leadership
2. Sustainable models of care
3. Digital transformation
4. Travel and transport
5. Estates and facilities
6. Medicines
7. Supply chain and procurement
8. Food and nutrition
9. Adaptation

The Green Plan 2022/23-2024/5 Progress against targets

Completed or on track for deadline
Needs attention
Target will not meet deadline

Focus area	Target	Deadline	Status
Workforce & system leadership	Sustainability Working Group (formerly Sustainability and Travel Working Group), comprising members from each department to meet every quarter.	Feb -22	1
	SWG members to receive training on carbon literacy. Sub-groups for each focus area of the Green Plan, led by members of SWG. Identification of key colleagues to receive sustainability training focussed on their area of expertise (eg, Senior Estates Officers training on net zero refurbishment). Introduction to our Green Plan for new staff in place. Encourage our staff to live more sustainable lives by launching pledge platforms to compliment specific communication campaigns (for example, the Green Travel Plan) by March 2025.	Jun-23 Dec-22 Mar-23 Mar-25	1
Sustainable models of care	Investigate ways to expand our innovative services providing care closer to home.	Mar-25	2
	Explore clinically equivalent lower-carbon interventions and trial a minimum of 3.	Mar-25	2
Digital Transformation	At least 25% of outpatient activity will be delivered remotely.	Mar-22	1
	Audit paper use to identify where digital systems can help further reductions to be made.	Mar-23	2
Travel and transport	Develop Green Travel plan to support active travel and public transport for staff, patients & visitors (in time for the opening of the multistorey car park) Engage with Dorset Council's Bus Service Improvement Plan. All Trust-owned and leased vehicles must be Ultra Low Emission or Zero.	Jun-22 Mar-22 ongoing	2
Estates & Facilities	Develop decarbonisation action plan for the estate.	Oct-22	1
	Complete one or more actions from Decarbonisation Plan.	Mar-25	2
	Ensure 75% of old equipment is re-homed.	Mar-23	2
	Trial two single-use plastic reduction projects (one in a clinical environment & one non-clinical)	Mar-25	2
	Trial 1 PPE-recycling service.	Mar-23	2

New Hospital Project	Design new hospital to fulfil Net Zero Carbon Hospital Standard.	Mar-23	2
Medicines	Develop clinically appropriate prescribing of lower carbon inhalers.	Mar-23	1
	Reduce use of desflurane in surgery to < 10% of its total volatile anaesthetic gas use, by volume.	Mar-23	1
Supply chain and procurement	We will purchase 100% renewable energy.	Apr-22	1
	Increase the minimum requirement from 5% to 10% weighting towards sustainability in award criteria.	Apr-22	1
	Adopt the Government's 'Taking Account of Carbon Reduction Plans' (PPN 06/21), requiring all suppliers with new contracts for goods, services, and/or works with an anticipated contract value above £5 million per annum, to publish a carbon reduction plan for their direct emissions.	Apr-23	1
Food & nutrition	Achieve the Soil Association's Food for Life Bronze Award.	Mar-23	1
	Establish a food waste baseline and develop action plan to reduce it.	Mar-23	2
Adaptation	Ensure our Business Continuity Plans include ways to mitigate the effects of flooding, heatwaves and snowstorms on our infrastructure, patients & staff.	Mar-25	1
	Develop Biodiversity Action Plan.	Mar-25	2
	Named adaptation lead.	Apr-22	1

Progress against the Estates Roadmap for NHS trusts targets

Action	Key Target Date	Progress
NHS trusts, NHS foundation trusts and primary care to review options to install energy metering at all sites (both electricity and heat) and establish a programme to install metering where feasible	• Building level (Primary and Secondary care) 2022/23 • Floor level (Primary and Secondary Care) 2026-28 • Department level (Secondary care only) 2028-30	Draft Building energy decarbonisation strategy including sub-metering BMS system and some metering
NHS trusts and NHS foundation trusts to track carbon reduction progress and produce annual reports for their boards (Specified in Green Plan guidance)	• From 2022/23	First Carbon Footprint and Carbon Footprint Model of Options 2023/2024

NHS trusts and NHS foundation trusts to incorporate net zero capital projects in line with the 4-step plan into organisation budgets and report through Estates Returns Information Collection (ERIC) (Existing requirement in ERIC)	• From 2022/23	SLG and Board to review Energy Strategy Energy Efficiency team and NHP working closely together on energy
NHS trusts, NHS foundation trusts and primary care to review options to install building-level water metering at all sites NHS trusts and NHS foundation trusts to review options to install leak detection systems NHS trusts and NHS foundation trusts to carry out sustainable urban drainage system assessments	• By 2023/24 • By 2026 • By 2028	Not yet monitored, maintenance and response to leak data available.
NHS trusts and NHS foundation trusts to ensure they have access to energy management expertise (at least 0.5 FTE), funded from their own resources (As per existing ERIC reporting field)	• 2023/24	Working closely with Dorset Health Care NHS Foundation Trust who currently have a Head of Sustainability and Energy Manager positions Sustainability Officer gathered data picture Energy efficiency group working with consultant
Trusts and foundation trusts to incorporate energy use accountability into estates staff inductions	• 2023/24	Sustainability Officer attends staff induction breaks, this could be developed to include energy use during 2024.
All NHS trusts and NHS foundation trusts to have a heat decarbonisation plan, identifying and prioritising the phasing out of existing systems (to align with quarterly Greener NHS data collection) NHS trusts and NHS foundation trusts to utilise the Heat Decarbonisation Plans to identify opportunities to increase on-site electricity supply for use in heat pump solutions and electric vehicles (EV) Remove all coal and oil-led primary heating systems (Long Term Plan commitment) Transition away from all fossil fuels including gas	• 2023/24 • 2023/24 • By 2028 • By 2032	Heat decarbonisation plan developed early 2024

NHS trusts, NHS foundation trusts and primary care to utilise zero carbon building energy, including renewable on-site or owned sources, to cover at least 80% of their emissions. (As set out in the "Delivering a Net Zero NHS" report)	• 2028-2032	Heat decarbonisation plan drafted with extensive data collection around energy use, ages of buildings, current survey of presence /absence of insulation etc.
Every organisation has a clear plan to transform waste in line with HTM 07-01, which is being revised and published in 2022/23 NHS trusts and NHS foundation trusts to eliminate waste sent to landfill Ensure every NHS trust and NHS foundation trust has access to waste management expertise (at least 0.5 FTE), funded from their own resources (As per existing ERIC reporting field)	• By 2023/24 • 2025/26 • By 2023	DCH has a Waste Co-ordinate 1FTE Managed by The Facilities Manager
NHS trusts, NHS foundation trusts, ICSs and the National NHS Estates and Facilities team to work with procurement and our own supply chain to eliminate waste streams where practical	• From 2022/23	Sustainable Procurement Policy updated 2023/4
NHS trusts, NHS foundation trusts and ICSs to review existing vehicle procurement contracts and develop a standard framework for regional procurement strategies (Long Term Plan commitment)	• Long Term Plan target of 90% Low Emission Vehicles (LEV), Ultra Low Emission Vehicles (ULEV), Zero Emission Vehicles ZEV by 2028, with at least 25% ULEV or ZEV	Discussions with DHC on the electrification of their fleet and potential EV Fleet trial discussed with Transport team at the trust. Fleet replacement procurement planning to take place in Jan 2025.
All organisations to have installed EV charging infrastructure to support transition of their owned and leased fleet to zero emission vehicles (excluding ambulances)	• 2028	
NHS trusts, NHS foundation trusts and ICSs to plan deployment of EV infrastructure by identifying local/regional grid capacity and work with local network operators and/or local authority to plan for increased capacity where necessary • 2025	• 2025	Sustainability Manager in discussions with Dorset Council and part of a decarbonisation anchor institution group on EV and DNO in 2023/4

		Energy efficiency group and NHP team commissioned Energy Security study by consultants
NHS trusts, NHS foundation trusts, primary care organisations and ICSs to ensure that construction and capital spend includes 10% social value weighting (As set out in "Applying net zero and social value in the procurement of NHS goods and services" report) NHS trusts, NHS foundation trusts, primary care, and ICSs to use the Economic Case guidance within HM Treasury Green Book Guidance to assess the economic impacts of capital spend and consider the wider environmental impacts (Existing government guidance) National NHS Estates and Facilities team to ensure all applicable new builds and major refurbishments are compliant with the NHS Net Zero Building Standard	• From March 2022 • 2022/23 • 2023/24	Discussions with New Hospital Programme (NHP) team on new NHS Net Zero Building Standard for future builds (NHP plans before this standard in force).
NHS trusts and NHS foundation trusts to review and adapt menus to offer healthier, lower carbon options for patients, staff, and visitors NHS trusts and NHS foundation trusts to implement approaches to measure and reduce food waste (kitchen spoilage and preparation waste, unserved meal, plate waste) Estates and Facilities teams to have input into their trusts' Food & Drink Strategy, meeting the guidelines set out in the Hospital Food Standards Panel (HFSP) Review (Existing requirement in HFSP report)	• 2023/24 • 2023/24 • From 2023/24	Catering Manager, Hotel Manager and Sustainability Manager planning 'Guardians of Grub' approach, looking at Soil Association Bronze accreditation, Ward hosts and too good to waste food initiatives during 2023/4.
NHS trusts, NHS foundation trusts and ICSs to incorporate predicted climatic changes into estates strategies, PCN estates plans and Business Continuity Plans	• As developed	Green Plan review to relate to emergency plan. Sustainability Manager and Emergency Planning Manager in regular decision for both plans
NHS trusts and NHS foundation trusts to ensure that existing travel plans include support for walking and cycling specifically as this relates to estates infrastructure	• 2023/24	Developed a green travel plan for South Walks House and delivering it. Updating and expanding main site green travel plan.

Internal Audit Findings

In September 2023, BDO undertook a desktop audit of sustainability at several trusts including DCH, key findings included:

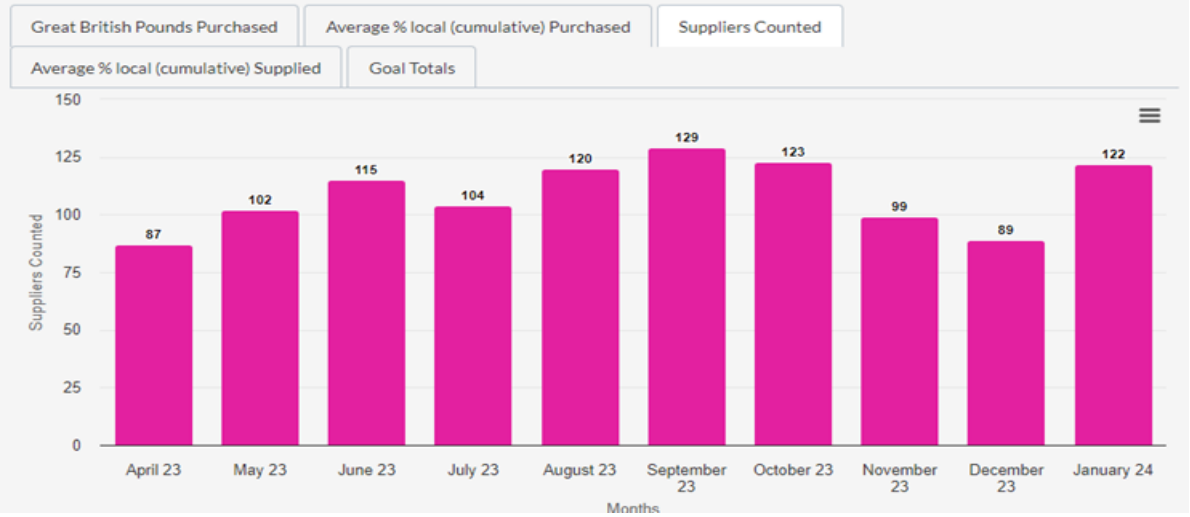
Report Comment	Progress
Environmental sustainability training varies	Board training in development together with all Dorset NHS Trusts. EcoEarn role specific actions available, costs being investigated 2024
No travel or procurement policies related to sustainability	SWH GTP Completed and in delivery 2024 GTP for main site in development 2024 Sustainable Procurement Policy revised and updated during 2023
Communication / engagement of Sustainability not consistent or developed	Bi-monthly e-news to Sustainability Champions, Monthly EcoEarn newsletter able to tailor to trust, Sustainability Day July 23, working more closely with Communications on regular features. Sustainability Dashboard and IMPACT for senior leaders, potential to cascade more
Various comments around Green Plan, feasibility, ICS collaboration and reporting at Board level	Green Plan under review and joint production with DHC. Need for leadership and staff engagement plan early 2024.

Social Value and Sustainability

The finance and procurement teams continue to support the trust in the delivery of objectives linked to its Social Value pledge and Green Plan.

Local supplier spend equates to 6.67% (£5,426,315) of total spend, engaging with 89-115 local suppliers in the months of April 2023 to January 2024. 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.

Local suppliers engaged by Dorset County Hospital April 2023 – January 2024



The trust is now including a minimum of 10% against social value in its evaluation criteria, using the national TOMS framework. This has been updated and carried through into the latest version of the trust's Sustainable Procurement Policy. There have been some positive success stories in 2022/23 including:

- Assisting in improving on-site wellbeing spaces for staff and visitors.
- The provision of a community welfare station outside a construction site delivered within the town centre.
- Assistance and provision of PPE for planting forest tree whips and 20m of hedgerows across the site.

Responsible Use of Resources

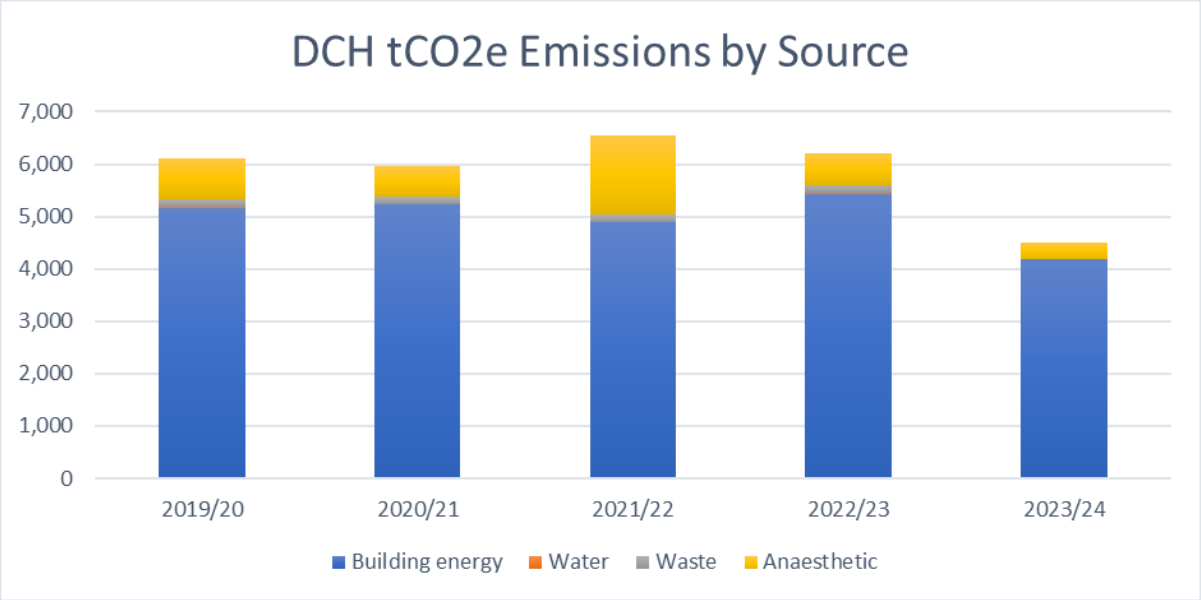
Energy

Building energy contributes to 15% of total emissions (NHSE trust carbon footprint), and is an emission we directly control, i.e. scope 1. The trust formed an Energy Efficiency team to investigate various funding applications, projects, and ideas to make trust more energy efficient.

Building energy also contributes to 81% of the scope 1 emissions from trust. In 2023/24 the trust made a concerted effort to define and address these emissions. For the first time a local Carbon Footprint model for DCH, and a full picture of energy consumption was developed.

Energy consumption

Financial Year (All units in KWh)	2019/2020	2020/2021	2021/2022	2022/2023	2023/24 (to Dec)
Electricity	3,264,740	2,569,702	1,677,157	2,621,797	1,922,238
Gas	19,916,543	21,569,702	20,468,172	22,520,153	17,438,526
Oil	-	-	8,690	2,222	
Water Supplied	65,932	44,284	53,903	77,410	



DCH electricity supply is primarily from Combined Heat and Power (CHP), accounting for 71% of our energy needs, with the remaining sourced from REGO certified Grid. The CHP operation contributes to scope 1 emissions. During 2023, a small solar panel scheme on the new Discharge Lounge building was commissioned.

Applications were made to the Low Carbon Skills Fund, then the Public Sector Decarbonisation Fund, without success. The trust decided to finance an Energy Strategy, Power Security Assessment (New Hospital Strategic Project Team) and Carbon Model of options. These will be reviewed during April 2024. The proposals are modelled against carbon reduction and return on investment options, some bringing in returns within 5 years e.g. insulation, others are carbon but not cost efficient.

A desk-top based assessment of Ground Source Geothermal and Ground Source Heat Pumps was commissioned at this time with the British Geological Society completed in February 2024. The findings suggested that ground source heat pumps (closed loop) and Geothermal (closed loop) were potentially viable on this site. The degree of confidence in this information was reasonably good (moderate confidence) due to a range of explorative oil boil holes in the area able to provide data.

In 2024, the Energy Efficiency team submitted an application to the Heat Networks Delivery Unit for a Technological – Economic Feasibility Study of Groundsource and Geothermal.

From the work of the Energy Efficiency team and GEP Consultants a range of fabric and heating system improvements were detailed, and a funding application to the Heat Network Efficiency Scheme for fabric improvements and efficiencies of the heating systems is planned.

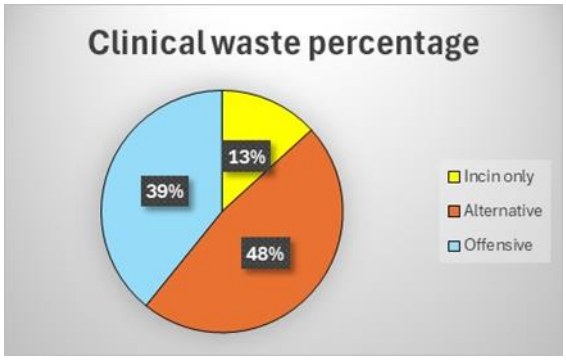
Waste

The national targets for trusts on clinical waste are 60/20/20, which DCH is moving towards. There is an active re-homing service, and incentives for staff and visitors of a 30p reduction

for re-useable cups. Initial discussions have begun on gloves off, reducing food waste, tailored surgeons' packs and re-useable blood sample tourniquets.

April – September 2023 Waste against National Targets

Clinical Waste Breakdown	Tonnage	Percentage
Incin only	29	13
Alternative	104	48
Offensive	85	39
Total	218	100



Food and Nutrition

The catering team have worked during the past year with the wellbeing team, and local school student design ideas on improvements to Damers restaurant, Sustainability initiatives include The Guardians of Grub, Soil Association Bronze Award, 'Ward Housekeepers' where food and drink is on re-useable ceramic mugs and plates instead of paper or plastic. Unused, but still very useable, meals are donated to staff who may need this support, by registering for the scheme. New recycling focused bins should see waste streams split correctly.

The catering team met the 2023 single-use plastics ban that focused on plastic forks, bowls, plates, and polystyrene cups with metal cutlery in restaurant and bamboo for takeaways. Damers restaurants offer a 30p reduction for using your own re-useable cup, and they are available to buy.

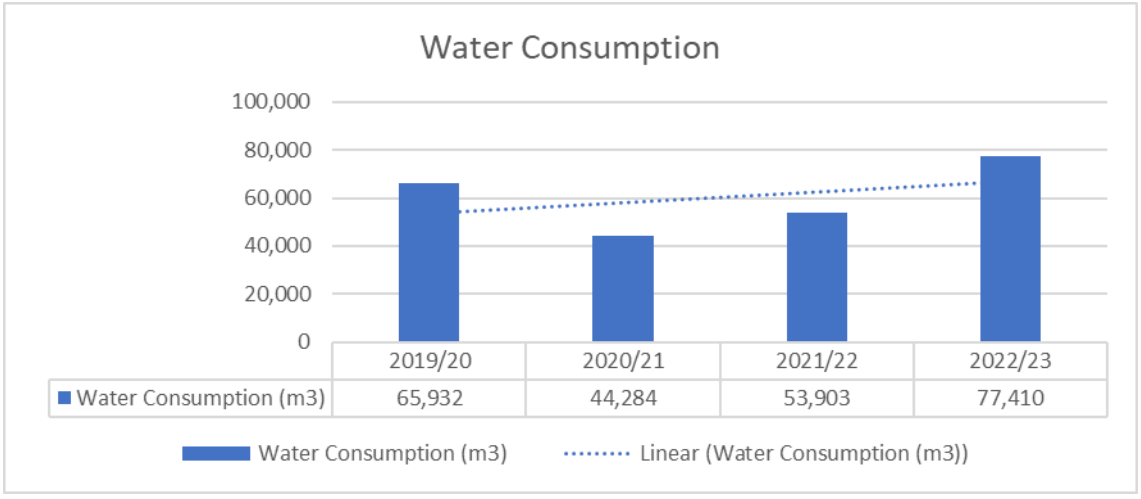
A review of chemicals and disposables took place to look at eco and recyclable options, a data system will review pricing and procurement to reduce food waste, with training around 'The Guardians of Grub' approach. Adopting this approach is a target of the Greener NHS Quarterly Data collections. There were steps to increase local supply of fresh produce, reducing food miles. The Guardian data will show the difference in food waste and greater efficiencies. All initiatives are led by the Catering Manager, the Hotel Manager and discussed with the Sustainability Manager.

Catering spend on local suppliers are on an average of 24.77% of total expenditure (total £923,795) with 15 – 28 local companies engaged each month.

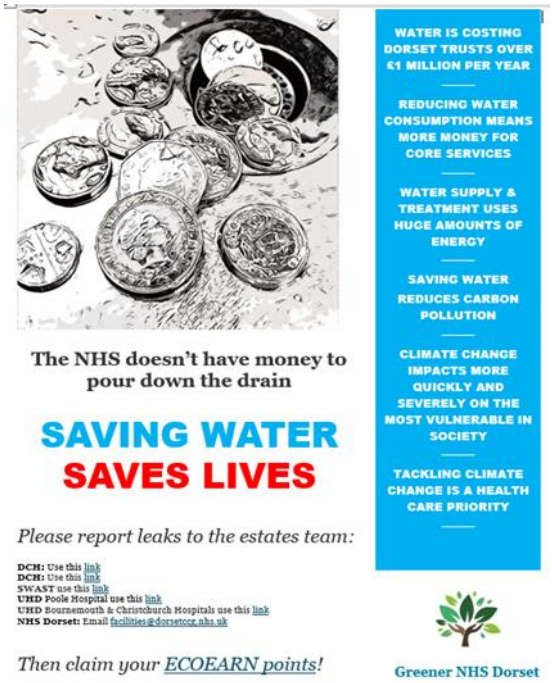
Local suppliers engaged with Catering Spend April 2023 - January 2024

Water

	2019/20	2020/21	2021/22	2022/23	2023/24
Water Consumption (m^3)	65,932	44,248	53,903	77,410	-
Average of 3 small acutes in the region	61,047	70,210	79,332	71,937	-



Greener NHS Dorset is a group of sustainability leads in Dorset NHS trusts and Dorset Council Public Health, who together work with EcoEarn to deliver activities on the impact and need to conserve water, February 2023.



Dorset NHS trusts consume Over 4000,000m3 costing over £1,250.000, with prices rising. Distribution and treatment consume energy to the scale of 1% of all CO2e in the UK is from water use, most of the water is sea water, or used in agriculture, putting pressure on remaining water for drinking and hygiene and impacting on natural river systems.

Automated taps, promotion of when hand sanitiser is sufficient versus running a tap are initiatives in place. There is a change in water supplier utilising the Southwest NHS Collaborative procurement which will enable future efficiencies in the trust's water consumption. The trend remains increasing consumption.

Greenspaces and Gardens

A gardens and greenspaces group was formed this year, led by the Director of Nursing, to establish improvements in access and environment of these spaces.

An expression of interest for a sensory courtyard garden was made to the NHS Charities Together Greener Communities Fund and the trust was invited to put in a full application, which it has done. This includes working in partnership for sustainability with Kingston Maurward, Little Green Change, Mens Shed Dorchester and Wessex Grounds Services. Patients and their carers or parents utilising Special Care Dentistry, opposite the courtyard, wrote comments about potentially using this space.

The New Hospitals Programme construction partners, Tilbury Douglas and their partner BDP, were invited to develop plans and offer labour to the restoration of the 'Fountain Courtyard.' This would likely come to fruition in around a year's time when they are on site in larger numbers and can offer this as Social Value activity.

For the first time DCH has made use of the free NHS Forest trees, with 2 hedgerow bundles of around 20m and 30 trees of an 'urban bundle' (small, native species like hazel, Rowand field maple) that will be limited in span and lower leaf litter. With two staff and volunteer task days planned in February to dig with support of 20 garden style gloves and loan tools from Wessex Grounds; High Vis vests and first aid kit provided by the Volunteering Co-ordinator.

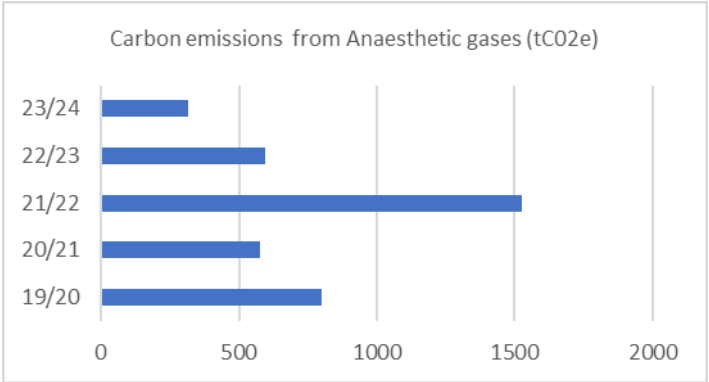
Volatile Anaesthetic Gases

Through a concerted effort to reduce carbon emissions, we have successfully transitioned from volatile anaesthetic gases with higher environmental impact to those that are more environmentally friendly.

In recent years, our commitment to sustainability has resulted in a significant decrease in the usage of desflurane and sevoflurane, which are known to have a global warming potential 2500 times greater than carbon dioxide.

This transition aligns with our hospital's mission to minimize our carbon footprint and prioritize eco-conscious practices in healthcare delivery.

The carbon emissions from anaesthetics have significantly reduced 53% than last year as we switched from volatile gases to nitrous oxide/Entonox. To reduce the emissions and mitigate the wastage of anaesthetic gases, the trust has taken a further step to decommission all manifolds and transition to cannisters for anaesthetics.



Green Travel Plans

The Green Travel Plan (GTP) for South Walks House (SWH), produced in January 2023, is underway. Travel information FAQ and PowerPoint of Low Carbon travel options for staff. In public areas iPads with local bus and train information are ready to install. This local travel information will also feature on the staff intranet and provided to reception, switchboard, and the Transport Hub. The SWH site provides, 24 bicycle parking spaces, more than BREEAM

requirements. A staff survey is ready for when there is 80% occupancy at SWH including for the main DCH site.

Dorset NHS Lift share continues, 54 current members in lift share teams of DCH, 164 members have offered or requested a lift. Staff can also earn EcoEarn points by validating a lift share journey.

The Dorset trust's ran a low carbon travel photo competition as part of Sustainability Day.

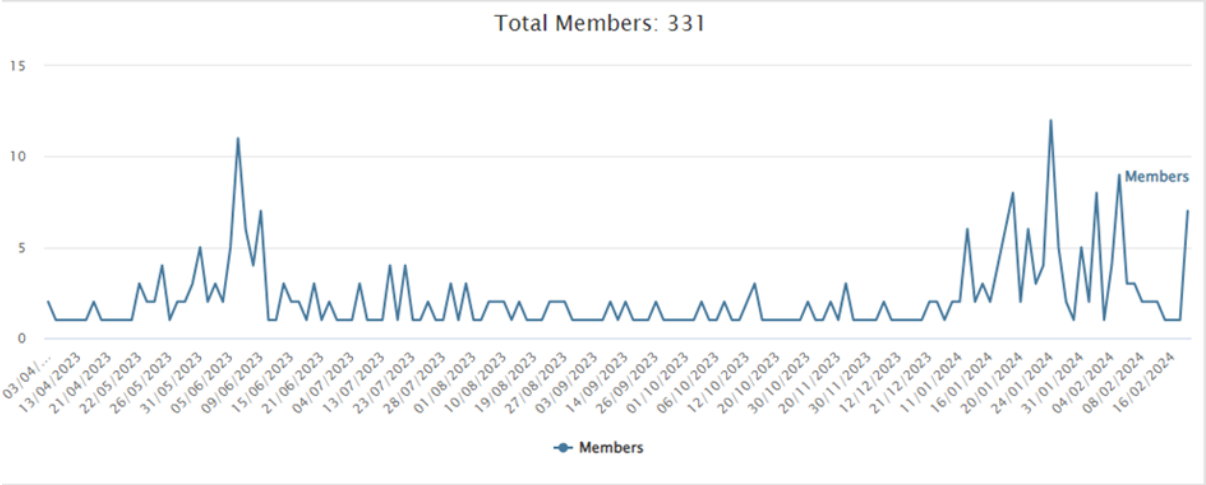
Dorset Council attended to share information on proposed cycle improvements linking to the hospital. Conversations have begun on a pilot of two fleet electric vehicles (EV) and E-bike charging.

Future challenges will be to mirror SWH GTP to the main site, deliver fleet EV, reduce single occupancy vehicles, and promote the health benefits of active travel and seek to improve cycle facilities on the main site and SWH.

EcoEarn, Communications and Sustainability Champions

EcoEarn continues to grow with 161 members (September 2023) and 22 signing up June. Members whose actions, mostly for scope 3, have saved 289 tC02e (Dorset ICS combined data). Since commencing post in March 2023, the Sustainability Officer has regularly attended Staff Induction Coffee break sessions to promote EcoEarn, Dorset NHS LIftshare and Sustainability Champion Scheme, together with the optional 'Building a Net Zero NHS' training unit, which in January 2022-August 2023, only 12 participants had completed, 0.29% of staff.

A total of 331 new members (Dorset ICS combined) have signed into Ecoearn and pledged to take part in the sustainable initiative of their trusts during the FY 2023/24.



The trust has a Sustainability Champions Scheme that encourages participants to cascade information, model good practice, e.g. correct bin use, and develop sustainability initiatives. One of the amazing Trust's Sustainability Champions received a WOW award for outstanding contribution to reduce carbon emissions, by working with colleagues in Anaesthesia and Estates, to remove the nitrous manifold, and use more IV anaesthesia to reduce the use of Desflurane, with a significantly higher CO2e than CO2 or methane and with the Greener Theatres Group. WOW! is an external employee recognition scheme which aims to raise customer care standards.

Additionally, we have a bimonthly newsletter dedicated to sustainability champions who have committed to driving positive actions towards sustainability within the hospital. We are eager to heat their ideas and provide support in implementing them. The sustainability newsletter highlights the team's achievements, activities, new sustainable projects in the hospital, and keeps them all informed about the sustainability initiatives within the hospital.

LED Project

In 2019, as part of a project with Centrica, around 72% of the main site lights were replaced with LEDs. Particularly focusing on the main hospital corridors or 'streets.' An application by the Sustainability Team was made to National Energy Efficiency Fund in January 2024 to successfully unlock £20,000 of finance for an in-house programme to replace a significant amount of the remaining strip lights. This will be around 307 fittings, save around £1,535 Kg of CO2e per annum and around £146,200KWh of energy, about £20,000pa.

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.
- consider 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, everyday.

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 Workforce 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's 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 trust Board. Dorset County Hospital's social value delivery is reflected in a range of current activities and longer-term aims including those outlined in the 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 Business Plan 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 the 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. 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. 23/24 has been another busy year for the service, which has seen it very much in demand supporting in a variety of ways across the hospital. A key focus for the team has been the implementation of the new Volunteer Management system - Better Impact. This has been a collaboration between the three Dorset NHS Trusts and is making a positive impact on volunteer experience and our processes for recruitment, training and support of our volunteer team. The launch of our Activity Squad volunteer role and refresh of our Young Volunteer Programme have also been key initiatives for 23/24. The service continues to work closely as part of the NHSE Voluntary Partnerships network and with the wider voluntary sector including the Vision for Volunteering which is a 10 year project launched in 2022 to create a better future for volunteering.

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
24 June 2024

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

Board of Directors Profiles

Chair

David Clayton-Smith – first term 01/05/2023 – 30/04/2026

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.

Chair

Mark Addison – first term 24/03/2016 – 23/03/2019, second term 24/03/2019 – 23/03/2022, extended to 30/04/2023

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.

St Helier NHS Trust. David's executive career was spent in marketing roles across the retail and hospitality sector.

Chief Executive Officer

Matthew Bryant – appointed as CEO Designate 06/03/2023, appointed substantively 01/04/2023

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 southwest.

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.

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, second term 01/01/2023 – 31/12/2026

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.

Eiri Jones – first term 01/01/2022 – 31/12/2024, Deputy Chair from 1/09/2022

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.

Claire Lehman – first term 18/07/2023 – 17/07/2026
Claire joined Dorset County Hospitals NHS Foundation Trust Board in July 2023.

As a GP and Public Health Consultant Claire brings a holistic perspective in understanding needs of the changing demographic of our local communities. She is a keen advocate of empowering individuals to direct their own health trajectories.

Her previous leadership experience includes roles as Health Protection lead consultant during the COVID-19 pandemic in local authority, as a GP partner, as GP clinical lead for Quality, and as an LMC Medical Director and 18 months as Medical Officer for the British Antarctic Survey.

Claire is strongly motivated to positively influence the health and social care services of those served by the trust.

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.

Stephen Tilton – first term 01/06/2020 to 31/05/2023, second term 01/06/2023 to 31/05/2026
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 People Officer: Emma Hallett – appointed 13/07/2022 to 31/04/2023 (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.

Joint Chief Financial Officer: Chris Hearn – appointed 01/02/2024 (Chief Finance Officer from 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.

Joint Director of Corporate Affairs: Jenny Horrabin – appointed 11/03/2024 (non-voting)
Jenny was appointed Joint Executive Director of Corporate Affairs for Dorset HealthCare and Dorset County Hospital on 11 March 2024.

She is a qualified accountant and chartered company secretary. She worked in audit and assurance for over 20 years in the public and private sector, before moving into a Company Secretary role in the NHS in 2012.

She joined the trusts from Coventry and Warwickshire Partnership Trust, having previously worked in senior governance and corporate affairs roles in two clinical commissioning groups.

Jenny has a passion for continuous improvement and excellence in practice and is an active member of the NHS Company Secretaries Network and a member of the HFMA Audit and Governance Committee. She is also a trustee of a charity.

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 Southwest, 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 to 31/03/2023
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.

Joint Chief Strategy, Transformation and Partnerships Officer: Nick Johnson – appointed 01/02/2024. Deputy Chief Executive from 01/04/2023. (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 executive 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.

Joint Chief People Officer: Nicola Plumb – appointed 01/02/2024. (Interim Joint Chief People Officer from 01/05/2023).
Nicola is passionate about the NHS and has spent her career in the public sector since graduating from Durham University with a Politics degree in 2000.

Nicola has held a variety of communications and development roles in the NHS and Department of Health including working at NHS Bournemouth and Poole, Communications Advisor to the NHS Chief Executive and working as Head of Brand for NHS England.

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' 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 2023/24.

Better Payment Practice Code Compliance

The trust has adopted the Better Payment Practice Code, which requires all undisputed invoices to be paid 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 28 days for the trust's trade payables as at 31 March 2024 (2023: 27 days). The trust incurred interest and compensation charges of £916 during 2023/24 (2022/23 £259) under the Late Payment of Commercial Debt (Interest) Act 1998. The performance of the trust in complying with the Code were as follows:

	2023/24		2022/23	
	Number	Value £000	Number	Value £000
Trade payables				
Total bills paid in year	**63,939**	**128,204**	63,616	122,469
Total bills paid within target	**58,465**	**116,876**	58,638	113,740
Percentage of bills paid within target	**91%**	**91%**	92%	93%
NHS payables				
Total bills paid in year	**1,363**	**10,160**	1,253	14,398
Total bills paid within target	**1,141**	**8,921**	1,116	13,158
Percentage of bills paid within target	**84%**	**88%**	89%	91%

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 £1.274 million which represents 0.42% 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 Patient Experience team in the trust comprises the Complaints Service, Patient Advice and Liaison Service, (PALS), Volunteer Service and the Patient and Public Involvement / Engagement Service. Joint and cross working across the team is key to ensuring all aspects of patient experience functions and that demands on the service are met.

The team strive to provide support in line with the trust's mission – to provide outstanding care for people in ways which matter to them. We do this by providing a central point for patients, families, carers and the public to raise concerns, get advice and provide feedback to us and through providing services to support when people come into the hospital.

We monitor performance throughout the year through our Patient Experience and Public Engagement Committee (PEPEC) and Quality Committee, reporting on the numbers of complaints and concerns, compliments and Friends and Family Test (FFT) feedback. We look for any themes in this data which could indicate where areas of improvement and learning are required or where best practice can be shared and adopted.

Working closely with our Business Intelligence team, we oversee the NHS Patient Surveys each year. During 2023/24 we completed the National Inpatient Survey, Maternity Survey and Urgent and Emergency Care Survey. Results from these surveys are reported at PEPEC and action plans are put in place to address areas for improvement. In 2023, this included the establishment of our Ward Patient Representative volunteer role to provide opportunity for patients to feedback and raise concerns about the quality of their care which can be dealt with in real-time, where possible. The role, which has been developed with our patient voice group – Your Voice, has been piloted with success on two wards and will be rolled out to other inpatient areas during 2024.

Complaints concerning patient care are handled centrally. Our dedicated complaints and PALS team work to ensure that complaints are responded to within set timeframes. Complaints are screened and triaged on receipt and recorded on the Trust Datix system where staff directly involved in investigating the complaint can access. This year has seen us launch a pilot to focus on early resolution in line with the new Parliamentary and Health Service Ombudsman, (PHSO), National Complaint Standards, (https://www.ombudsman.org.uk/organisations-we-investigate/complaint-standards/nhs-complaint-standards). Early resolution shifts the focus, from what can be lengthy response time to complaints, to engaging with the person making the complaint within a few days by

phone, (or preferred method of contact) to discuss and where possible resolve any issues or concerns in a timelier way. The pilot has been very successful, and the new complaints policy will see full adoption of the standards when implemented during the 2024/25. As part of the implementation of the policy staff will be supported with training and confidence with the new processes.

Following the implementation of the Carer's Passport in 2022/23, we have continued to promote this, supporting colleagues to ensure carers are identified and are able to access the passport and empowering people to let us know they are a carer and that they know the passport is available.

In line with the statutory guidance for, Working with People and Communities, we are working closely with colleagues across the ICS to develop models for doing this better through a systemwide approach. This includes sitting on a number of groups including the Dorset Engagement Leads, Dorset Youth Representatives, Dorset Armed Forces Covenant and Dorset Carers groups, where we build relationships and create the opportunity for better working together and engagement across our community.

Priorities for the coming year include:

1. In collaboration with system partners, increase staff capacity through a Train the Trainer Programme and capture the patient voice to inform service delivery and quality improvement.
    a. As measured by training numbers, captured feedback and direct participation of people with lived experience to targeted programmes and QI projects.
2. Deliver purposeful, therapeutic activity to patients through a planned programme of work developed by the Active Hospital Group and through the recruitment and delivery of a volunteer Activity Squad.
    a. As measured by progress against agreed action plan, training numbers, delivery of targeted activities and calendar of events, patient experience survey and overall incidence of violence and aggression against staff by patients who lack capacity (via Staff Survey)
3. Improve the experience of Children and Young People attending and admitted with emotional, psychological, and mental health needs.
    a. As measured by local and national patient survey, progress against actions, related incidents, and complaints

Within the trust we are building our team of volunteer Patient and Public Voice (PPV) Partners who sit across a number of specialities, including research, patient safety, and our New Hospital Programme. Our PPV partners come together in Your Voice meetings to provide updates and to discuss any issues or ideas they have. The Your Voice group membership includes governors and trust volunteers. They meet six times a year and regularly provide a platform for trust colleagues to feedback on projects. This has included during 2023 feedback on the trust's Joint Strategy, the Active Hospital programme, and the tobacco dependency service.

Patient Information continues to be supported through the Patient Experience team. Our PALS officers provide feedback on new / updated Patient Information Leaflets and support provision of language and translation services. Work has started on the new Information

and Communications for Patients Policy, which will review and identify where we need to maintain or need to improve services to be compliant with Accessible Information Standards. This work will involve consultation with a range of stakeholders including our Your Voice group.

Alongside the day-to-day operational delivery of the Patient Experience services, the team have additionally been working towards future service development. This includes the development of the new Youth Voice group and the opening of a new Patient Information Hub on the main hospital site. The hub will bring together and provide help, information, volunteering and engagement in one public facing space. This space will also provide more opportunity for cross working with health and community partners and ultimately improve the patient experience.

Stakeholder Relations

Collaboration is rapidly becoming the cornerstone of the way we work. Building on previous efforts, we now view co-designed, integrated services as the expected norm, aligning with the "Partnership" theme of our strategy.

Strengthening Collaboration Across the Healthcare Spectrum

We work together with patients and the population to co-design services that directly address their needs. We have significantly strengthened our collaboration with local authorities, community teams, and primary care providers. Together, we are actively working to reduce clinical variation across Dorset, ensuring a consistent standard of care. We are also increasing the capacity and resilience of our services by actively engaging with provider collaboratives and networks.

Contributing to a Strong Integrated Care System (ICS)

We are committed to contributing to a robust and effective ICS focused on meeting the specific needs of Dorset's population. This includes striving for best value in all our endeavours to improve outcomes for the whole population. We actively build partnerships with voluntary, and social enterprise organisations to address key challenges in innovative and cost-effective ways.

Examples of Successful Collaboration

The Dorset Joint Forward Plan was developed collaboratively with all NHS partners across the ICS. It focuses on five specific goals: mental health, overweight children, life expectancy inequalities, independent living, and healthy lives, see below.

With Dorset Healthcare University NHS Foundation Trust, we established a broad joint programme called "Working Together." This programme fosters closer collaboration between staff and teams across both organisations. Joint activities include executive management meetings, Board of Directors' development sessions, senior leadership summits, and forums. The joint programme encompasses clinical and support areas such as diabetes, frailty, child and young people services, workforce development, equality, inclusion, and well-being.
To provide an evidence base, the programme called upon the knowledge and learning from a number of services who are already working together. We are now working with teams to pull this learning back into the programme to better support collaboration for our staff and partners.

Integrated Neighbourhood and Community Teams
Both trusts are actively collaborating with residents and all ICS partners in a new programme called Integrated Neighbourhood and Community Teams. This programme aims to improve outcomes for communities with high deprivation, focusing on the wider determinants of health and in turn, preventing the need for secondary care. The first pilot communities are located within Weymouth and Portland, with the programme expanding to include other communities and their individual needs as it progresses.

Provider Collaboration and Collaboration with Other Providers
In collaboration with the Integrated Care Board, the trust is supporting the development of the ICS-wide Provider Collaborative, "Our Dorset Provider Collaborative." This initiative aims to standardise patient experience and outcomes, achieve economies of scale, and reduce unwarranted variation. Membership includes all healthcare providers, encompassing acute, community, mental health, and primary care partners.
Collaboration between DCH and University Hospitals Dorset, the other major acute hospital in the east of the county, has gained momentum this year. Rheumatology, Orthodontics, and Orthopaedics are currently being developed as networked services, with more planned for 2024/25.

Routine Collaboration with Primary Care
The trust maintains regular operational communication through weekly calls with the Clinical Directors of the local Primary Care Networks as part of the West Dorset Clinical Collaborative. This fosters greater understanding and facilitates targeted support where needed.

Patient and Public Engagement
The trust has an active Patient Advice and Liaison Service (PALS) and a vibrant volunteering team with excellent links to local residents, schools, and colleges. Furthermore, DCH has established a voluntary Your Voice forum, a patient voice group who are regularly engaged with. We are now also benefitting from liaison with the DHC Experts by Experience Group, who have lived experience of using NHS services to support improvements.

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 2023/24.

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 worked jointly with Dorset Healthcare University NHS Foundation Trust, to share costs and support the appointment of the following joint executive appointments:

- Chief People Officer
- Director of Strategy, Transformation and Partnerships.
- Chief Finance Officer
- Director of Corporate Affairs
- Chief Nursing Officer (from April 2024)

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

- The establishment of shared functions with Dorset Healthcare University NHS Foundation Trust.
- Proposal to appoint a joint Chief People Officer.
- Proposal to appoint a joint Director of Corporate Affairs and the decision to utilise an external search agency.
- Extension of the Senior Responsible Officer roles supporting the Working Together Programme.
- Extension of the Interim Chief Nursing Officer term.
- Appointment of the joint Director of Corporate Affairs.
- Approval of recommendations arising from the Executive Review

- Executive Pay Review
- Implementation of the nonexecutive directors pay review (from 1 April 2024).
- Deputy Chair remuneration.
- Joint Executive Director Appointments
- Chief Nursing Officer proposal.
- Chief Nursing Officer appointment
- Chief Operating Officer remuneration
- Leadership Competency Framework

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

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

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.

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, Code of Governance for NHS Provider Trusts 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
David Clayton-Smith (Trust Chair) (Chair) (from 01 05 23)	5/6
Mark Addison (Trust Chair) (Chair)	1/1
Sue Atkinson (to 31 05 23)	1/1
Margaret Blankson	6/7
Eiri Jones (Deputy Chair)	7/7
Claire Lehman (from 17 07 23)	5/5
Stuart Parsons	6/7
Stephen Tilton	4/7
David Underwood	7/7

Senior Managers Service Contracts

The table below contains contract information on the trust's senior managers for the financial year 2023/24.

Name	Title	Current Tenure	Notice Period
Non- Executive Directors			
David Clayton-Smith	Chair	01/05/2023 – 30/04/2026	3 months
Mark Addison	Chair	24/03/2019 – 30/04/2023 (extended second term)	n/a
Eiri Jones	NED, Deputy Chair (from 01/09/22)	01/01/22 – 31/12/24	3 months
Sue Atkinson	NED	01/09/19 – 31/05/23 (extended second term)	n/a
Margaret Blankson	NED	01/01/24 – 31/12/26 (second term)	3 months
Claire Lehman	NED	18/07/23 – 17/07/26	3 months
Stuart Parsons	NED	01/12/21 – 30/11/24	3 months
Stephen Tilton	NED	01/06/23 – 31/05/26 (second term)	3 months
David Underwood	NED	01/03/23 – 28/02/26 (second term)	3 months
Executive Directors			
Matthew Bryant	Chief Executive	Commenced 1/4/23	6 months
Emma Hallett	Interim Chief People Officer	13/07/22 – 31/04/23	n/a
Chris Hearn	Joint Chief Financial Officer	Commenced 01/02/24	6 months
	Chief Financial Officer	03/10/22 – 31/01/24	n/a
Jenny Horrabin	Joint Director of Corporate Affairs	Commenced 11/03/24	6 months
Jo Howarth	Interim Chief Nursing Officer	28/11/22 – 31/03/24	6 months
Alastair Hutchison	Chief Medical Officer	Commenced 02/07/18	6 months
Nick Johnson	Deputy Chief Executive/Joint Chief Strategy, Transformation and Partnerships Officer	Commenced 01/02/24	6 months
	Deputy Chief Executive/Director of Strategy, Transformation and Partnerships	01/02/16 – 31/01/24	n/a
Nicola Plumb	Joint Chief People Officer	Commenced 01/02/24	6 months
	Interim Chief People Officer	01/05/23 – 31/01/24	n/a
Anita Thomas	Chief Operating Officer	Commenced 04/10/21	6 months

Expenses of Governors and Directors

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

	2023/24 Number receiving expenses / total	£	2022/23 Number Receiving Expenses / total	£
Governors	**0 / 23**	**0**	**0 / 23**	**0**
Chairman and non-executive directors	**3 / 9**	**690**	**3 / 9**	**856**
Executive directors	**3 / 8**	**2,563**	**5 / 7**	**1,639**
Total expenses		**3,253**		**2,495**

The following sections of the Remuneration Report are subject to audit

The total remuneration of Directors and senior managers for 2023/24 was £958,900 (2022/23: £936,200).

Total Remuneration of Directors 2023/24	Note	Salary	Taxable Benefits	Pension Related Benefits	Total Remuneration	Recharges Salary	Recharges Taxable Benefits	Recharges Pension	Remuneration net of Recharges
Name and Title		(Bands of £5,000)	(To nearest £100)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(To the nearest £100)	(Bands of £2,500)	(Bands of £5,000)
		£000'	£	£000'	£000'	£000'	£	£000'	£000'
David Clayton-Smith, Joint Chairman	1	30 - 35	-	-	30 - 35	(15 - 20)	-	-	15 - 20
Mark Addison, Chairman	2	0 - 5	-	-	0 - 5		-	-	0 - 5
David Underwood, Non-Executive Director		10 - 15	-	-	10 - 15		-	-	10 - 15
Prof Sue Atkinson, Non-Executive Director	3	0 - 5	-	-	0 - 5		-	-	0 - 5
Stephen Tilton, Non-Executive Director		10 - 15	-	-	10 - 15		-	-	10 - 15
Margaret Blankson, Non-Executive Director		10 - 15	-	-	10 - 15		-	-	10 - 15
Stuart Parsons, Non-Executive Director		10 - 15	-	-	10 - 15		-	-	10 - 15
Claire Lehman, Non-Executive Director	4	5 - 10	-	-	5 - 10		-	-	5 - 10
Eiri Jones, Non-Executive Director		15 - 20	-	-	15 - 20		-	-	15 - 20
Matthew Bryant, Joint Chief Executive Officer	5	205 - 210	-	380 - 382.5	585 - 590	(100 - 105)	-	(190.0 - 192.5)	290 - 295
Nick Johnson, Joint Chief Strategy, Transformation and Partnership Officer / Deputy CEO	6	150 - 155	-	37.5 - 40.0	190 - 195	(10 - 15)	-	(2.5 - 5.0)	175 - 180
Prof Alastair Hutchison, Chief Medical Director		235 - 240	-	-	235 - 240	-	-	-	235 - 240

Total Remuneration of Directors 2023/24 (continued)	Note	Salary	Taxable Benefits	Pension Related Benefits	Total Remuneration	Recharges Salary	Recharges Taxable Benefits	Recharges Pension	Remuneration net of Recharges
Name and Title		(Bands of £5,000)	(To nearest £100)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(To the nearest £100)	(Bands of £2,500)	(Bands of £5,000)
		£000'	£	£000'	£000'	£000'	£	£000'	£000'
Chris Hearn, Joint Chief Financial Officer	7	130 - 135	-	35.0 - 37.5	165 - 170	(10 - 15)	-	(2.5 - 5.0)	150 - 155
Anita Thomas, Chief Operating Officer		125 - 130	-	27.5 - 30.0	155 - 160	-	-	-	155 - 160
Jo Howarth, Chief Nursing Officer	8	145 - 150	-	-	145 - 150	-	-	-	145 - 150
Nicola Plumb, Joint Chief People Officer	9	135 - 140	-	42.5 - 45.0	180 - 185	(65 - 70)	-	(20.0 - 22.5)	90 - 95
Emma Hallett, Interim Chief People Officer	10	5 - 10	-	0.0 - 2.5	10 - 15	-	-	-	10 - 15
Jennifer Horrabin, Joint Director of Corporate Affairs	11	5 - 10	-	0.0 - 2.5	5 - 10	(0 – 5)	-	(0.0 – 2.5)	0 - 5

Notes

1 - Appointed as Joint Chairman for Dorset County Hospital NHS FT & Dorset Healthcare University NHS FT on 1 May 2023.
2 - Until 30 April 2023.
3 – Until 31 May 2023.
4 - Appointed on 18 July 2023.
5 - Postholder as Joint Chief Executive Officer for Dorset County Hospital NHS FT & Dorset Healthcare University NHS FT and post is shared on 50:50 basis.
6 - Postholder became Joint Chief Strategy, Transformation and Partnership Officer / Deputy CEO for Dorset County Hospital NHS FT & Dorset Healthcare University NHS FT from 1st February 2024 and post is shared on 50:50 basis.
7 - Postholder became Joint Chief Financial Officer for Dorset County Hospital NHS FT & Dorset Healthcare University NHS FT from 1st February 2024 and post is shared on 50:50 basis.
8 - Postholder appointed 28 November 2022 into interim post on secondment from NHS England.
9 - Postholder appointed on 1st May 2023 as Joint Chief People Officer for Dorset County Hospital NHS FT & Dorset Healthcare University NHS FT and post is shared on 50:50 basis.
10 - Postholder appointed interim on 13 July 2022 until 30 April 2023.
11 - Postholder appointed on 11 March 2024.

Total remuneration of Directors 2022/23	Note	Salary	Taxable Benefits	Pension Related Benefits	Total remuneration	Recharges Salary	Recharges Taxable Benefits	Recharges Pension	Remuneration net of Recharges
Name and Title		(Bands of £5,000)	(To nearest £100)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(To the nearest £100)	(Bands of £2,500)	(Bands of £5,000)
		£000'		£000'	£000'	£000'		£000'	£000'
Mark Addison, Chairman		40 - 45	-	-	40 - 45	-	-	-	40 - 45
David Underwood, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Judy Gillow, Non-Executive Director	1	5 - 10	-	-	5 - 10	-	-	-	5 - 10
Prof Sue Atkinson, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Stuart Parsons, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Steven Tilton, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Margaret Blankson, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Dhammika Perera, Non-Executive Director	2	5 - 10	-	-	5 - 10	-	-	-	5 - 10
Eiri Jones, Non-Executive Director		10 - 15	-	-	10 - 15	-	-	-	10 - 15
Nick Johnson, Interim Chief Executive (formerly Deputy Chief Executive/Director of Strategy, Transformation and Partnerships)	3	160 - 165	-	37.5 - 40	200 - 205	-	-	-	200 - 205

Total remuneration of Directors 2022/23 (Continued)	Note	Salary	Taxable Benefits	Pension Related Benefits	Total remuneration	Recharges Salary	Recharges Taxable Benefits	Recharges Pension	Remuneration net of Recharges
Name and Title		(Bands of £5,000)	(To nearest £100)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(To the nearest £100)	(Bands of £2,500)	(Bands of £5,000)
		£000'		£000'	£000'	£000'		£000'	£000'
Matthew Bryant, Chief Executive Officer	4	5 - 10	-	0 - 2.5	5 - 10	-	-	-	5 - 10
Nicky Lucey, Chief Nursing Officer	5	80 - 85	-	-	75 - 80	-	-	-	75 - 80
Paul Goddard, Chief Financial Officer	6	70 - 75	-	-	75 - 80	-	-	-	75 - 80
Chris Hearn, Chief Finance Officer	7	55 - 60	-	12.5 - 15	70 - 75	-	-	-	70 - 75
Anita Thomas, Chief Operating Officer		115 - 120	-	110 - 112.5	225 -230	-	-	-	225 - 230
Dawn Harvey, Chief People Officer	8	40 - 45	-	0 - 2.5	40 - 45	-	-	-	40 - 45
Emma Hallett, Interim Chief People Officer	9	65 - 70	-	47.5 - 50	115 - 120	-	-	-	115 - 120
Jo Howarth, Interim Chief Nursing Officer	10	45 - 50	-	-	45 - 50	-	-	-	45 - 50
Ruth Gardiner, Interim Chief Information Officer	11	55 - 60	-	10 – 12.5	65 - 70	-	-	-	65 - 70

Notes

1 – Until 31 August 2022. 2 – Until 31 December 2022

3 – Until Interim on 31 March 2023 4 – Appointed on 06 March 2022 as Chief Executive designate and commenced in post on 1 April 2023

5 – Until 31 October 2022 6 – Until 2 October 2022

7 – Appointed on 3 October 2022 8 – Until 12 July 2022

9 – Appointed Interim on 13 July 2022 10 – Appointed Interim on 1 September 2022

11 – Appointed on 01 September 2022 but did not attend board upon creation of Joint Board in 2023/24

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.

There have been no annual performance related or long term performance related bonuses paid during the year 2023/24 or 2022/23.

There have been no payments for loss of office during 2023/24 or 2022/23.

There have been no payments to past senior managers during 2023/24 or 2022/23.

Fair Pay Multiple Statement

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 2023-24 was £235,001 – £240,000 (2022-23, £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 2023/24 was from £290,001 - £295,000 to £10,001-£15,000 (2022-23 £270,001 - £275,000 to £10,001 - £15,000). 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 10.0%. In 2023/24, three (2022/23: 2) employees received remuneration in excess of the highest-paid director. Remuneration was in the banding range of £290,000 to £295,000 (2022/23: £270,000 to £275,000).

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	**23/24**	22/23	**23/24**	22/23	**23/24**	22/23
Salary Component of pay	**£22,816.00**	£22,808.43	**£28,407.00**	£28,945.64	**£42,618.00**	£40,588.00
Salary Component: pay ratio for highest paid director	**10.51**	10.16	**8.45**	8.01	**5.63**	5.71
Total Pay & Benefits excluding Pension benefits	**£24,515.16**	£23,162.17	**£34,485.65**	£30,639.00	**£45,943.58**	£42,972.62
Pay and benefits excluding pension: pay ratio for highest paid director	**9.79**	10.00	**6.96**	7.56	**5.22**	5.39

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 below 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 31/03/2024 (bands of £5,000) £000	Related lump sum at retirement at 31/03/2024 (bands of £5,000) £000
Matthew Bryant, Chief Executive*	15 – 17.5	92.5 - 95	70 – 75	200 – 205
Nick Johnson, Deputy Chief Executive/Director of Strategy, Transformation and Partnerships	2.5 – 5.0	0 - 2.5	10 – 15	0 – 5
Anita Thomas, Chief Operating Officer*	0 – 2.5	30.0 – 32.5	35 – 40	100 – 105
Chris Hearn, Chief Financial Officer	2.5 – 5	0 - 2.5	15 – 20	0 – 5
Nicola Plumb, Chief People Officer*	0 – 2.5	15.0 – 17.5	45 – 50	15 – 20
Emma Hallett, Interim Chief People Officer*	0 – 2.5	0 – 2.5	25 – 30	75 – 80
Jennifer Horrabin, Joint Chief Director of Corporate Affairs*	0 – 2.5	0 – 2.5	25 – 30	75 – 80

	Cash Equivalent Transfer Value at 01/04/2023 £000	Cash Equivalent Transfer Value at 31/03/2024 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000s
Matthew Bryant, Chief Executive*	875	1613	616	-
Nick Johnson, Deputy Chief Executive/Director of Strategy, Transformation and Partnerships	105	179	44	-
Anita Thomas, Chief Operating Officer*	607	873	188	-
Chris Hearn, Chief Financial Officer	125	207	52	-
Nicola Plumb, Chief People Officer*	474	707	152	-
Emma Hallett, Interim Chief People Officer*	385	588	-	-
Jennifer Horrabin, Joint Chief Director of Corporate Affairs*	611	689	-	-

* is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

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. The factors used to calculate a CETV increased, following this guidance and will affect the calculation of the real increase in CETV. 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
24 June 2024

Staff Report

People Strategy

As a major local employer of 4,000 staff, who fulfil a wide range of professional and multidisciplinary roles, we recognise that our workforce defines who we are and how we are viewed by the patients and population 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 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 impact on the environment and supporting better health and 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 the NHS Long Term Plan.

High level principles for People are defined within 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 quality of care by creating a culture of openness, innovation and learning where staff feel safe themselves.
- We continue to create collaborative and multidisciplinary professional team working to maximise skills, knowledge, and respect.

Following the appointment of a Joint Chief People Officer we are building on the collaboration with Dorset Healthcare University NHS Foundation Trust to identify and progress workforce programmes that will benefit staff in both organisations.

Recruitment

The past 12 months have seen an ongoing increase in the pressures on recruitment. The national shortage of nursing, medical and allied health professional staff has meant that recruitment to these posts has continued to remain challenging. However, despite these challenges we have been able to fill many vacancies and the vacancy rate has reduced from 10% to 4%.

International nurse recruitment has been the focus to fill clinical vacancies, recruiting 108 internationally educated nurses during 2023/24 across a variety of departments with further recruitment planned for 2024/25. This complies with the national drive to recruit additional nurses to the NHS, and we have met our agreed targets for the last 3 years. The Trust has now extended its international programme to include Pharmacists and Operating Department Practitioners.

The Trust has experienced further challenges with recruiting 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 has been high priority again for 2023/24 and the Trust received additional funding from NHS England to support this work. Focus has been on centralised recruitment events held in our Education Centre which have proved successful in reducing vacancies. The Widening Participation Team have had great success in arranging Healthcare Support Worker scholarship programmes, to support young people, and those who have been out of care into work and most attendees have been recruited into the Trust following this programme.

Recruitment has continued successfully for newly qualified staff joining us on the Trust preceptorship programme which supports clinical staff in their first year at work although domestic supply remains significantly short of the numbers we need to fill vacancies.

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 recently arranged a successful Careers Open Day in March to showcase the full range of career opportunities in the NHS. Over 250 people attended, and we were joined by Dorset Healthcare University NHS Foundation Trust and Weldmar Hospice Care who had stalls with employment information. Support with completing applications and wider support for those who are struggling to find employment was available on the day with apprenticeship options being particularly popular.

Employment Policies

The Trust has more than 80 employment policies in place which have been designed to provide guidance to our staff and to ensure we meet our legal obligations to them. The effectiveness of each policy is reviewed in conjunction with staff side representatives. During 2023/24, 32 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 during 2023/24 we reviewed our Grievance, Performance and Probationary Policies to adopt the same principles.

Appraisal Process

Following the successful pilot of our 'appraisal-on-a-page' process last year, this has now been implemented across the Trust. The new simplified form and policy, accompanied by the 'Meaningful Appraisals' workshops which form part of our Management Matters Programme, help ensure our managers have the confidence to hold effective and regular wellbeing, career development and performance conversations with every individual in their team.

Staff Gender Analysis (as at 31 March 2023)

A full report on the Trust's gender pay gap statistics was provided to the People and Culture Committee in March 2024, and formal submission made via the government portal the same month. The current DCH Gender Pay Gap Report is available to view here:

https://www.dchft.nhs.uk/wp-content/uploads/2024/03/Gender-Pay-Gap-Report-2023.pdf

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 21%. This means that the average hourly pay rate for men is 21% higher than for women. This is a 4% reduction to the pay gap of 25% recorded in 2022. Our overall median gender pay gap is 5.53%. This means that the mid-point hourly rate for men is 5.53% higher than for women. This is an improvement of 2.47% on 2022's reported 8% and continues the improving trend against the 9% reported in 2021.

Our gender pay gap results (based on the hourly pay rates our employees received on 31 March 2023) are as follows:

- Our mean gender pay gap is 21%
- Our median gender pay gap is 5.53%
- Our mean bonus gender pay gap is 5.21%
- Our median bonus gender pay gap is 34.58%
- Our proportion of males within whole Trust receiving a bonus payment is 4.43%
- Our proportion of females within whole Trust receiving a bonus payment is 0.38%
- Our proportion of eligible males receiving a bonus payment is 41%
- Our proportion of eligible females receiving a bonus payment is 24%

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 continued absence of a national agreement and for the last four years of award rounds the funds have been divided equally between eligible consultants.

Male employees make up 24% of the workforce, which means the 32% of males in the highest paid quartile is a disproportionate number. However, female employees occupy 68% 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%.

A Gender breakdown report by headcount for all staff is as follows:

Male	Female
994	3200

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.

A Gender breakdown report by headcount for our Executive and Non-Executive Directors (Senior Leaders) is as follows:

Male	Female
8	6

Staff Sickness

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 2023	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
3,070	28,887	1,120,714	46,862	9.4

Turnover

The trust's turnover rate for 01 April 2023 – 31 March 2024 was 9.56%. Turnover has reduced by nearly 2% since the previous year and remains within the trust's acceptable range of 8% - 12%.

A trust recruitment and retention strategy is underway which aligns to the People pillar of our trust strategy. The turnover by staff group is detailed in the table below.

We have seen a reduction in turnover in all staff groups except for Estate and Ancillary where it has increased by 2%. Work is underway which seeks to understand and address recruitment and retention in this staff group. This has included the introduction of recruitment and retention payments for some skilled trade roles.

We have seen a significant reduction in turnover in the Additional Professional Scientific and Technical staff group (which includes Pharmacy). Several local initiatives have been implemented to support the recruitment and retention of staff within this service and this is having a positive impact on both recruitment and retention.

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

Staff Group	LTR Headcount %	LTR FTE %
Add Prof Scientific and Technic	11.43%	11.65%
Additional Clinical Services	9.22%	9.51%
Administrative and Clerical	14.17%	14.29%
Allied Health Professionals	7.89%	7.60%
Estates and Ancillary	14.32%	13.79%
Healthcare Scientists	6.62%	6.78%
Medical and Dental	6.15%	6.15%
Nursing and Midwifery Registered	7.02%	6.95%
Students	0.00%	0.00%

Equality, Diversity, and Inclusion

Dorset County Hospital remains dedicated to the principles of equality, diversity, and inclusion (ED&I), now embracing a more holistic approach that encompasses belonging (EDIB). The vigilance over advancements in EDIB activities is entrusted to the Trust's EDI Steering Group (EDISG). The Trust's EDIB Strategy has undergone a thoughtful revision to ensure we continue to build on our successes to date. In January 2024 we welcomed a new EDIB Lead, signifying a renewed impetus in our commitment.

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 EDIB at DCH has continued to move beyond compliance to mainstreaming EDIB so it becomes the 'golden thread' running through everything we do. To this end, CEO Matthew Bryant has played a pivotal role, encouraging the EDIB lead to forge strategic alliances with local organisations and political entities to elevate the EDIB paradigm within our institution to new heights.

Recent milestones include the development of the Conscious Inclusion Training, a collaborative initiative with DHC. Our Staff Networks are gaining momentum, emerging as invaluable advisers in the review of policies and procedures. A rejuvenation of these networks is on the horizon, aimed at elevating their significance as Employee Resource

Groups (ERGs). This strategic shift is currently reflected in the budgetary negotiations for the staff networks.

The EDIB Lead is aiming for all policies being reviewed through the EDIB Steering Group and the Policy Subgroup to improve the diversity and inclusiveness of the workforce. We encourage staff networks to take part in the EDIB steering group to be a critical friend to the trust in terms of reviewing policies.

The dialogue concerning the allocation of a bespoke EDIB budget for the fiscal period 2024/2025 is presently underway. This financial commitment is intended to underscore the importance of integrating EDIB principles across all departments within Dorset County Hospital, thereby reinforcing our collective dedication to these core values.

Our commitment to fostering an inclusive mindset has catalysed the implementation of various projects, such as "52 Dishes at DCH", "Staff World Map", "Dorchester Safe Space", and "Queer Garden". In line with our EDIB objectives, we are collaborating with Strategic Estates, Transport, and Accommodation to ensure our infrastructure aligns with our inclusive ethos.

Staff survey feedback highlights improvements in addressing discrimination, bullying, and harassment, yet underscores the significant scope for further progress. Against this backdrop, our EDIB action plans are continuously reviewed and refined, underscoring our unwavering commitment to achieving the highest standards of excellence in this domain.

Consultation, Partnership Working and Staff Engagement

We have several established mechanisms of communicating information to staff across the trust, including a weekly e-bulletin shared via email and our staff app, a weekly briefing from the Chief Executive (via email and staff app), monthly team brief sessions and posters for staff noticeboard. The staff intranet (StaffNet) has been upgraded and is now accessible to staff via their own devices which makes it a much more useful communications tool. The trust also communicates with both the public and staff via social media channels, our public website 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. These mechanisms were particularly important during the national strike action.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	FTE employee number
11	2688

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£3,287
Provide the total pay bill	£201,983,000
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	43%

Workforce Planning

Workforce planning supports the delivery of operational priorities over the short, medium, and longer term. We face 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 ICB, regional and national partners.

Our Workforce Business Partners assist leaders by offering workforce planning training and supporting them in revising and developing workforce plans for each area to inform our domestic and international recruitment and education plans. This includes seeking opportunities within financial constraints to look at supporting different operating models,

new ways of working or looking at allocation of tasks and use of administrative support or creating new technician roles, career grades and new apprenticeships.

Nursing Apprenticeship pipelines continue through the system Registered Nurse Degree Apprenticeship (RNDA) & 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 ED and Critical Care Unit (NHP) and other key projects such as South Walks House and Outpatient Services, the Pathway Home Hub, new Discharge facilities, Acute Hospital at Home expansion, Working Better Together and other schemes to support flow and admission avoidance.

Data helps to support evidenced based workforce planning and the trust now hosts the Dorset information and intelligence team which support the automatic feed of trust workforce data into system dashboards.

Health and Wellbeing

The focus for Health & Wellbeing (HWB) during 2024/25 is to embed the HWB offer across the trust, raising awareness and usage. The work to embed the use of the Triage process developed in hand with our Employee Assistance Programme provider Vivup through a single contact number has already seen an increase however this will be a continuous focus. Usage of both Vivup telephone and onsite counselling is encouraging, as well as use of the self-help learning through clinically approved workbooks and podcasts.

The trust-wide Health & Wellbeing Coaches (HWCs) who help signpost staff to appropriate support and to offer HWB conversations has grown to a community of over 60 with ongoing interest in the role. All staff now have access to a trauma response (TRiM) 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. Staff can now submit requests for TRiM via the intranet and a Standard Operating Procedure (SOP) details the process to managers.

Financial support for staff has continued to be a priority due to the cost-of-living, we continue to work closely with the Money and Pensions service and our credit union Serve & Protect. Staff can be referred confidentially to foodbanks and we offer a shopping voucher support to these staff members as well as free food which would otherwise go to waste from our Damers Restaurant.

Work is underway to develop Menopause Advocates in the trust making information around the menopause more freely available to staff. Further partnerships have been formed with Dorset Mind (Mental Health Charity) to provide support options for staff as well as the provision of free classes for staff in Yoga and Pilates.

Following the development of hard back folders with Health & Wellbeing information, 150 folders have been distributed across the trust to assist people with finding the information they need. We also plan to further increase the registrations on YourCare, our holistic Health & Wellbeing platform, where staff can assess their own Health & Wellbeing as well as being directed to improvement opportunities. On Wednesdays (Wellbeing Wednesday) our Health & Wellbeing Coordinator is available in Damers Restaurant for staff to connect with and we will be theming months based on a Health & Wellbeing Calendar throughout the year.

These and other planned activities will impact on staff knowledge around the wellbeing support available to them with a goal to impact on staff sickness, retention and cognitive ability whilst at work.

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 Director, 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 here 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 to ensure we are.

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 7 People Promise elements and 2 themes (Staff Engagement & Morale). This means that for many questions, we only have comparison data over 2 years rather than 5 years.

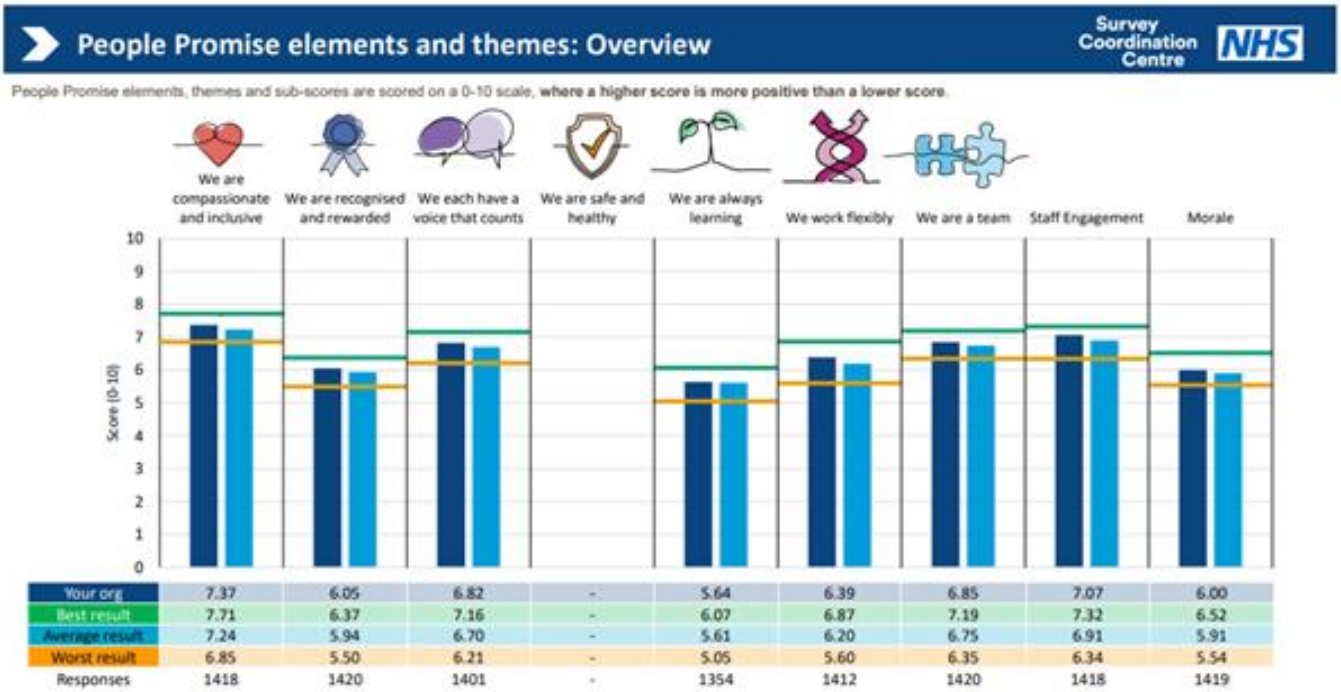
For 2023/24, our response rate was 41%, which was a slight drop from last year, but we achieved a small increase in the number of staff responding (1,421). The median response rate for our benchmarking group (acute and acute and community trusts) was 45%. Whilst it is disappointing that the response rate has declined this year, we understand that staff engagement is affected by the ongoing pressures and stressors of working in the NHS. We continue to strive for improved response rates for the results to 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 will combine with the Staff Survey data to allow deeper dives and increased ownership of results at the local level.

2023/24 Results

Our scores have improved in all 6 of the reportable People Promise elements and the 2 themes, and all are above the NHS average.

Scores for each of the reportable elements/themes are presented below, and include comparisons with the worst, best and average in our benchmark group.



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

People Promise Element/Theme	2022/23 Trust	2023/24 Trust	2023/24 Benchmark
PP1: We are compassionate & inclusive	7.3	7.37	**7.24**
PP2: We are recognised & rewarded	5.9	6.05	**5.91**
PP3: We each have a voice that counts	6.8	6.82	**6.69**
PP4: We are safe & healthy	5.9	N/A	**N/A**
PP5: We are always learning	5.5	5.64	**5.63**
PP6: We work flexibly	6.2	6.39	**6.17**
PP7: We are a team	6.8	6.85	**6.73**
Theme: **Staff engagement**	6.9	7.07	**6.88**
Theme: **Morale**	5.8	6.00	**5.92**

The Employee Engagement index continues to have a score out of 10. Following a decline in scores over the last 2 years, our score has risen to 7.07 this year. A growing body of evidence links staff engagement to patient outcomes. The theme of Morale has also increased from last year, to 6.00, which is considered statistically significant.

Our results give an indication of how DCH is continuing to improve the experiences of staff, demonstrating we are a trust which is responding well to current challenges.

Ongoing work in the areas of inclusion, speaking up, staff health and wellbeing and leadership and management development will help to further improve the staff experience at DCH.

Celebrating Success

Every day, individuals and teams within the trust go above and beyond the call of duty; and throughout 2023/24 this was again evident.

During December our Long Service Award ceremony took place to recognise those staff with 25 years of NHS service. 28 individuals 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. During the year we received 130 nominations with 53 Hospital Heroes being awarded.

By way of a survey, we asked our staff what they thought of our reward and recognition offers; we are now analysing that feedback to shape our plans for the future.

Leadership Development

The Management Matters Programme (MMP) was launched in the autumn of 2022 and continues to be delivered and valued by participants. 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.

Workshops for 2023/24 included Bias and Interview skills, Meaningful Appraisals, Sickness Absence Management, Coaching Skills, Career Development Conversations, Safe & Effective Wellbeing Conversations, Workforce Planning Essentials, Dignity & Respect at Work and Constructive Conversations. A new workshop for 2024 is Managing Risk.

DCH continues to offer Reciprocal Mentoring. A new Medical Leadership Programme for around 40 consultants has been designed and is underway, with plans to develop this further and offer to a multidisciplinary group of leaders next year.

Organisational Development (OD)

The OD work portfolio areas are wide reaching and have significant impact for the organisation: Equality, Diversity & Inclusion, Health and Wellbeing and Leadership and Management Development.

Key work programmes during 2023/24 included the Management Matters Programme, Dignity and Respect at Work Programme and the new Medical Leadership Programme. These programmes of work are central to driving culture change and improving the staff experience at the trust.

Throughout the year the OD 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. Our trust strategy, 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 our local organisations within the Dorset ICS 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, we continue to run three corporate induction programmes every month, where we have representation from the senior executive team presenting. During 2023/24 we welcomed 1014 new members of staff to the organisation. This includes Doctors in training, medical students, and students from non-medical disciplines.

We are aligned to the UK Core Skills Training Framework for all our core statutory and mandatory training, and work in collaboration with our Dorset ICS partners to ensure mandatory training is easily transferable across organisations. Our overall trust compliance for Mandatory training has maintained at the overall 90% target throughout 2023/24. We regularly review new statutory and mandatory training, to keep our patients and staff safe from harm and have successfully launched the Oliver McGowan Autism and Learning Disability Awareness training and the National Patient safety syllabus during the last year.

Library and Knowledge Services

Library and Knowledge services exist to provide all NHS staff and students with high quality resources and the expertise of knowledge and library staff to help inform decision making. The library team at DCHFT consists of: Library Manager, Library and Knowledge Specialist, and Library Assistant. Each staff member has distinct roles and responsibilities. There has been an increase in demand for literature searches and attendance at user education (in the form of training and workshops) in a range of topics, including academic writing, study skills, health literacy, searching the healthcare databases, referencing and critical appraisal. User registrations have also increased, as have requests for print and electronic resources. Our health literacy awareness workshops continue to be popular with an increase in the number

of Health Literacy Champions at the trust. Going forward, we are looking to collaborate with an ICS-wide health literacy community of practice.

Knowledge management and mobilisation activities have also increased, including the facilitation, by the library team, of two successful Knowledge Cafes. The library space itself has been utilised in creative ways, including a poetry evening for World Book Night, and World Cafes, which have been run by members of the Widening Participation Team

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

NHS England released the results of the first Library Quality Improvement and Outcomes Framework Assessment. The report confirmed that, in line with 81% of NHS organisations, there "is access to a developing knowledge and library service at DCH (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. We have welcomed and inducted, 155 Doctors in Training and supported 64 Medical Students and 27 Trainee Physician Associates to undertake clinical placements. We have provided 12 international doctors with clinical attachments resulting in two being offered permanent positions. To meet the demands of our future workforce, we have increased both the number of doctors in training posts and the number of placement opportunities for medical students. We have increased the number of supervisors for medical students to ensure robust assessment within the clinical environment.

As lead employer for GP trainees, we have worked closely with our local GP practices and the GP School to address the shortage of GP placements in Dorset. Provision of additional placements in hospital settings were provided to ensure that there was minimal disruption to the GP training.

We continue to invest in doctors who are not on formal training programmes, we currently employ 53 locally employed doctors (LEDs) and 66 Specialty and Associate Specialty doctors (SAS). We have appointed three tutors to support these doctors with their career plans, including leadership roles, continuing professional development and access to quality supervision and appraisal. This year we launched the CESR academy for doctors working towards consultant status outside of the traditional training route. We secured additional funding from Deanery to help support them with their own professional development courses.

We continue to strengthen and streamline the onboarding process for our International Medical Graduates (IMGs), and we support their development needs and ensure they are all enrolled onto the Health Education England Deanery induction program for doctors new to the NHS and the UK.

We ran another highly successful "Introduction to Medicine" programme in July in conjunction with the Duke of Edinburgh Gold Award. We delivered a 5-day residential program to 30 young people aged 16-17 and we remain the only NHS organisation in the UK to offer this program. We were also delighted to run our first "Introduction to Medicine" program to 20 students from local schools across Dorset in October half term.

We have maintained teaching opportunities during the industrial actions and minimised the impact on the Postgraduate Doctors in Training and Undergraduate training programmes.

Practice Education

Preceptorship

The Preceptorship Programme is a 12-month development program for all non-medical newly qualified registered health care professionals. We have delivered 4 programmes to 161 newly registered staff over the last year. The programme now includes the Edward Jenner programme as a leadership development package at the end of year one. We celebrated receipt of the National Preceptorship Interim Quality Mark in February 2024.

International Nurse Education

We continue to be committed to investing in the recruitment of international nurses to help us achieve reduction in our nursing workforce gaps. We have welcomed and employed a further 103 international nurses and support them with their education through Nursing and Midwifery Council (NMC) OSCE (Objective Structured Clinical Examination) preparation sessions, mock exams, and supervision in clinical practice. We have a team of practice educators to deliver this training and provide pastoral support to our international nurses.

Non-Medical Undergraduate Education

Clinical placement capacity for non-medical undergraduate students continues to expand with an increase from 90 to 126 placements for nursing students. Midwifery capacity has increased from 30 to 31 placements. Allied Health Professions have supported 87 placements across the year, an approximate increase of 20 placements on the previous year. This is to be celebrated considering pressures and workforce challenges within key AHP staff groups. This increase has included Operating Department Practitioner (ODP) capacity going from 9 to 13 following the introduction of ODP Apprenticeships. We continue to see an increase in other Apprenticeships leading to professional registration. The Non-Medical Undergraduate Practice Education Team continue to increase the number of practice supervisors and practice assessors to meet this growth in placement capacity and have revised the annual update training to include a stronger focus on inclusion, equality, and diversity. All clinical learning environments are regularly monitored and audited for quality purposes to ensure placements offered are of a high standard.

Health Care Support Worker Development

The nationally recognised care certificate programme continues to be implemented for all new Healthcare support workers within the trust. A robust 6-day education program is in place with excellent support for those joining the trust for their first 12 months in post.
We have a high completion rate and are successful in supporting staff to progress to level 2 or 3 health care apprenticeships if they wish to continue their education journey. Over the past financial year, we have supported over 164 individuals through the care certificate. We

also offer a care certificate programme for existing staff who require the qualification as part of their band 2 to 3 transition or to progress their healthcare education. The care certificate programme is the foundation for all new Health care support workers to continue their career in the NHS. We continue to see an increase in number 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, we have a designated team with a focus on Apprenticeships and Widening Participation. We are actively committed to helping people within our local community, addressing inequalities in health, and supporting achievement of our social value pledge. We currently support several groups within our local communities including those who are at risk of long-term unemployment, refugees, spouses of our Internationally Educated workforce, school leavers and individuals who may have special educational needs and or disabilities, to join our organisation 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 2023/24 we had91 staff enrol onto apprenticeship courses across the trust in numerous subject areas, from entry level 2 (GCSE equivalency) to level 7 (Master's equivalency) over a range of different professions which includes, nursing, pharmacy, healthcare sciences, allied health professions, estates and facilities, health care support workers and senior leaders. We are currently working with Education Providers to expand our offer moving forward to include medical education pathways, maternity degree apprenticeships and psychological wellbeing practitioners. The organisation is currently supporting 196 staff to complete their Apprenticeship programmes and has exceeded the local government target for new apprenticeships.

Vocational Scholarships
The vocational scholarship is a 3-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. We successfully run 2 scholarship programs each year offering up to 15 places on each program. 99% of the individuals who have undertaken the program have been successfully appointed in to posts at DCH.

Supported Internships
We continue to offer supported internship placements in conjunction with Weymouth College. This program provides a work placement for young people who have a physical, mental, or learning difficulty and who would otherwise may not be able to enter the world of work. We have been able to offer 4 placements lasting 32 weeks to young people this year and hope to expand this over the coming years. During the year we have supported 2 of the 4 individuals into full employment.

Functional Skills
At Dorset County Hospital NHS Foundation Trust, we strive to develop individual's educational achievements to expand opportunities to purse their chosen career pathways.

To assist staff to reach their full potential we are pleased to offer free functional skills. Functional skills are practical skills in English and Maths which provide people with skills, knowledge and understanding to help them progress in their role, boost confidence, and support ongoing education. We are currently supporting 29 staff within the organisation in completing their functional skills qualifications.

Work Experience Placements
Over the last year Dorset County Hospital have relaunched the work experience placement programme, where placements are offered in several services across the organisation, including clerical and administrative roles, medical and dentistry, IT, pharmacy, healthcare sciences and allied health professions, where insight and support is offered to support individuals in understanding different career pathways within the organisation and the wider NHS. During the year we have supported 37 individuals on placements and are set to double the number of individuals we can support over the next year.

Spousal Employment Support for our Internationally Educated Workforce:
As an organisation we take our Anchor Organisation aspirations seriously, a way in which we have done this has been supporting our internationally educated workforce and families, by proactively supporting spouses with several organised sessions where different career paths have been explained and support has been given with employability skills. As a result of this support, nine individuals have secured employment within the organisation.

Volunteering

The trust's Volunteer Service has had another busy year, which has seen it very much in demand supporting in a variety of ways across the hospital. A key focus for the team has been the implementation of the new Volunteer Management system - Better Impact, the launch of our Activity Squad volunteer role and the refresh of our Young Volunteer Programme.

The Voluntary Services Team
The Voluntary Services team is part of the Patient Experience department and is a team of four, (one FT Lead, two PT co-ordinators and one PT administrator). This year has seen the Volunteer lead step in to cover the Head of Patient Experience role since July. This has put unforeseen pressure on the team and limited resource and capacity to deliver all planned activity. The team have been able to adapt plans and prioritise and together with our incredible volunteers throughout the hospital have been able to continue to provide the service to the trust.

Volunteer Numbers

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

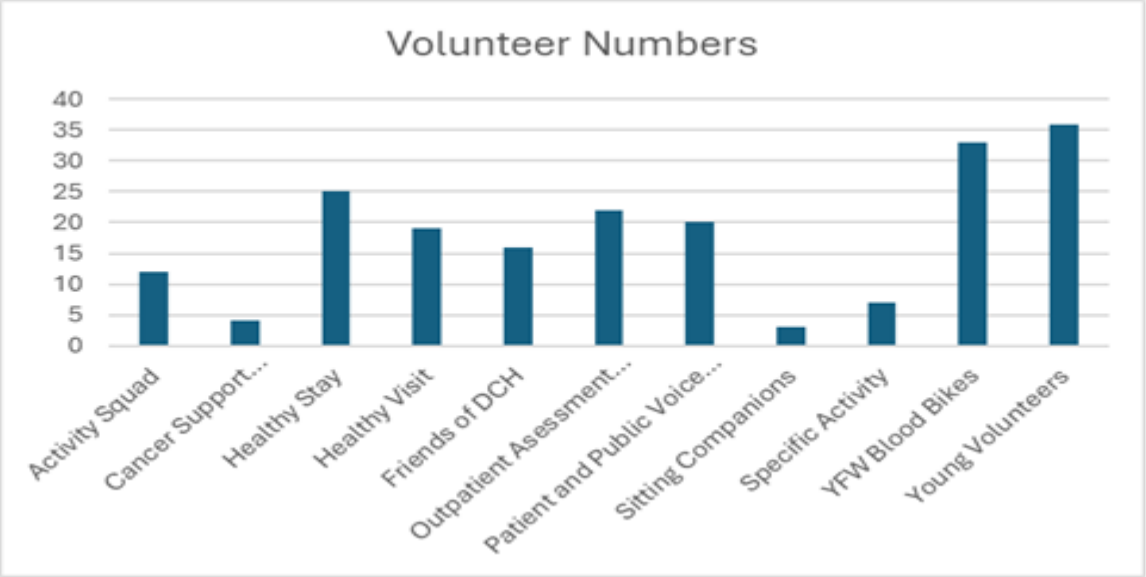


Figure 1 – Active Volunteer Role Numbers

At the end of March 2023, we had 197 volunteers in the trust. This includes our volunteers in the Friends of Dorset County Hospital who reintroduced their trolley service towards the end of 2023 and the YFW Blood Bikes who we continue to work closely with alongside Somerset Foundation trust. The numbers below account for volunteers who also carry out more than one role. The majority of our onsite volunteers are also signed up to our Response Volunteer service and are happy to provide support for short notice requests, additional service activity within the hospital and to help with hospital events including for example delivery of cake to celebrate the NHS 75th birthday.

Better Impact

The implementation of the Better Impact System has been one of the main objectives for the Voluntary Service. Secured with funding from Health Education England to deliver the National Volunteer Certificate in 2021 and combined with the funding from Dorset Healthcare University NHS Foundation Trust (DHC) and University Hospitals Dorset (UHD), we have worked across the three trusts to deliver a shared volunteer management system. The system is used to oversee the recruitment, training, management, and support of volunteers and has enabled us to provide a more efficient service. Working closely with NHS Dorset, (who have provided support with the system procurement and project development), DHC and UHD over the last two years has seen us make our processes as generic as possible but enabled us to retain site specific processes where needed. Volunteers are able to log into the system themselves, book onto volunteer shifts and record their hours and feedback. We can also easily passport them across trusts enabling them to volunteer for more than one trust without having to go through a full recruitment and training process again.

The implementation phase was supported by a project officer who joined us on a secondment from Southampton University Hospital where they are already using the system successfully. Their support made the process of building the platform much smoother and

we have been able to ‘go live’ using the system much sooner than we would have done without their support.

We will be continuing to work alongside the Voluntary Services teams at DHC and UHD to further develop and utilise the features within the new system. This will include using the system to effectively measure service impact which will help to inform both our future development plans and also feed into the new NHS England mandatory data collection for Voluntary Services which commences from July 2024.

Activity Squad

March 2023 saw us open recruitment for our new Activity Squad volunteer role. This had been planned since 2021 but had seen delays in official launch due largely to COVID restrictions. The Activity Squad role aims to support patients with both their physical and mental health and wellbeing, whilst recovering, through supporting / providing groups activities in inpatient areas or providing one to one support to a patient. Our Activity Squad volunteers provide planned activities, i.e. fortnightly cooking sessions with patients on our Stroke Unit or will move between wards providing companionship and/or a range of activities including crafting, games, colouring, reading and puzzles. We have also set up activity tubs for wards and are able to provide other equipment including music and audio books for patients using personal CD players.

Within the Activity Squad family are also our Specific Activity Volunteers. These currently include our Therapy Dogs, of which we now have five, and our Music Man. Being able to provide more support across the hospital with our Therapy dogs and bringing our Music Man back following COVID restrictions has had a positive impact and together with our Activity Squad volunteers we hope to be able to expand this service during the next 12 months.

Young Volunteer Programme

We reviewed our Young Volunteer programme at the start of the 2023 year with an objective to refresh and relaunch this. The programme has gone through changes since its initial launch in 2019 mostly to adapt to COVID restrictions. Feedback from our young volunteers, understanding the levels of support our young volunteers need and how we can support them within the limits of our team, how they would like to volunteer and their availability to volunteer around education and other commitments has all informed our decision making in the programme refresh.

Following the launch in August 2023 we successfully recruited for our Autumn / Winter programme offering 28 volunteer placements. The programme is currently piloting a rotation of the key volunteer roles giving each of the young volunteers a chance to volunteer in all of our three key roles – Healthy Visit, (meeting, greeting and guiding), Healthy Stay, (support on inpatient wards and Activity Squad. This gives the young people a chance to learn new skills in different areas and explore a broader range of support across the hospital. We are currently recruiting for our Spring / Summer programme and will be reviewing the current format and adapting as required and based on feedback.

Alongside the onsite Young Volunteer Programme, we are continuing to work with Budmouth Sixth Form in Weymouth to support their Academy Employability Diploma. This saw them

in January work to develop solutions to support patient activity, promotion of NHS careers, promotion of research and ways for a young person using our services to be able to tell their story once rather than multiple times. We have had some great ideas presented to us once again and hope to continue work with the students to further develop some of them over the next few months.

Wellbeing, Thanking and Looking Ahead.
The projects and work mentioned above are just a snapshot of activity within the Voluntary service at DCH over the last 12 months. Alongside the development projects, the team have continued to prioritise volunteer health and wellbeing and ensure they are recognised for the huge contribution they make. Our OAC and Young Volunteer teams were both presented with awards at the Dorset Volunteer Centre 2023 celebration alongside individual awards for volunteers nominated for outstanding service. Volunteers came together once again in July 2023 for the annual summer Tea Party and in December for the Mince Pie Mingle. These two key events offer us a chance to say thank you to them and to celebrate all that our volunteers do. One of our key focuses for 2024 is to continue to develop our support to them and to be able to continue to thank and highlight the difference they are making through their gift of their time and willingness to help.

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 did not have any contracts which exceeded the £50,000 limit.

	2023/24 £000s
Finance	21
Human Resources	21
Strategy	66
Technical	11
Total	**119**

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.

For any off-payroll engagements as at 31 March 2024, for more than £245 per day and that last for longer than six months	Number of engagements
Number of existing engagements as of 31 March 2024	3
Of which, the number that have existed:	
For less than on year at time of reporting	1
For between two and three years at the time of reporting	1
For between three and four years at the time of reporting	1

All off-payroll workers engaged at any point during the year ended 31 March 2024, for more than £245 per day	Number of engagements
Number of new engagements during the year ended 31 March 2024	832
Of which…	
Not subject to off-payroll legislation	815
Subject to off-payroll legislation and determined as in-scope of IR35	17
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 2023 and 31 March 2024	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	17

The Trust has made no payments for off payroll arrangements to individuals through their own companies during 2023/24.

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

Average number of employees (WTE basis)

	Average for year ended 31 March 2024		
	Total number	Permanent number	Other number
Medical and dental	441	422	19
Administration and estates	536	533	3
Healthcare assistants and other support staff	1,025	1,025	-
Nursing, midwifery and health visiting staff	1,008	919	89
Nursing, midwifery and health visiting learners	35	35	-
Scientific, therapeutic and technical staff	255	249	6
Healthcare science staff	89	84	5
Social care and staff	-	-	-
Other	-	-	-
Total	3,389	3,267	122
Of which: Engaged on capital projects	56	56	-

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	147,188	144,948	2,240
Social security costs	15,610	15,610	-
Apprenticeship levy	755	755	-
Pension cost – NHS pensions	17,250	17,250	-
Pension cost – Employer contributions paid by NHSE	7,473	7,473	-
Pension cost – other	61	61	-
Termination benefits	216	216	-
Temporary staff – Agency/contract staff	13,430	-	13,430
Total Gross Staff Costs	**201,983**	**153,360**	**15,670**
Included within; costs capitalised as part of assets	3,467	3,467	-

Exit Packages

2023/24 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	-	4	4
£50,001 - £100,000	-	1	1
Total number of exit packages by type	-	34	34
Total resource cost (£000)	-	216	216

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

The payments included in ‘Other departures’ agreed for 2023/24 are thirty-three in respect of contractual payments made in lieu of notice and one voluntary redundancy (2022/23 thirty-one payments for lieu of notice and one payment 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
Code of Governance for NHS Provider Trusts

The ***Code of Governance for NHS Provider Trusts*** (the *Code of Governance*) was published in October 2022 and has been applicable since 1 April 2023. It replaces the previous NHS Foundation Trust Code of Governance issued by Monitor.

The *Code of Governance* sets out a common overarching framework for the corporate governance of NHS providers reflecting developments in UK corporate governance and the development of integrated care systems. Providers must comply with each of the provisions of the code or, where appropriate, explain in each case why the provider has departed from the code.

Compliance with the Code

NHS foundation trusts are required to provide some disclosures in their annual report to meet the requirements of the 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 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.

The trust undertook a comprehensive self-assessment of compliance with the code in April 2024 in preparation for the production of the Annual Report and the Annual Governance Statement.

The trust is partially compliant with the following aspects of the Code of Governance:

C4.8 - Lead by the Chair, foundation trust council of governors should periodically assess their collective performance.

The lead governor presents on the activities of the council of governors at the annual members meeting / annual general meeting. Plans are in development to ensure a structured approach to performance review into 2024/25.

C4.11 the board of directors should work with the council of governors to ensure there is appropriate succession planning.

The trust works closely with the council of governors on the appointment of the trust chair, chief executive and non-executive directors. The council of governors has been kept fully informed of the development and appointment of joint executive roles with Dorset Healthcare University NHS Foundation Trust during the reporting period. Further discussion and planning is to take place during 2024 / 25 to formalise succession planning arrangements.

There are no areas where the Trust expects to be non-compliant (in these cases the Trust would be required to 'explain' this non-compliance under the 'comply or explain' requirement, as detailed in section 4 of the code).
Three of the provisions relate to making information publicly available. The trust is fully compliant with these requirements.

Compliance with the new NHS Provider License

NHS England undertook a review of the NHS Foundation Trust License conditions in 2023 and extended the provisions of the license to all NHS providers, updating the conditions to reflect the wider system compliance requirements also. The trust undertook comprehensive reviews of compliance with the revised Provider License conditions in quarter 4 to ensure compliance with the revised requirements.

The trust is compliant with the NHS Provider License conditions.

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 2023/24

* indicates extra-ordinary meetings

P1 = Public P2 = Private D = Development	26 April 23	26 April 23	31 May 23	31 May 23	12 June 23	28 June 23	26 July 23	26 July 23	30 Aug 23	30 Aug 23	27 Sept 23	27 Sept 23	01 Nov 23	01 Nov 23	21 Nov 23	29 Nov 23	29 Nov 23	22 Jan 24	31 Jan 24	31 Jan 24	31 Jan 24	06 Mar 24	18 Mar 24	27 Mar 24	27 Mar 24
	D	P2	P1	P2	P2*	D	P1	P2	D	P2	P1	P2	D	P2	P2*	P1	P2	P2*	P1	P2	D	D	P2*	P1	P2
Non-Executives																									
David Clayton-Smith (from 01 05 23)			✓	✓	✓	✓	A	A	A	A	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Addison (to 30 04 23)	✓	✓																							
Sue Atkinson (to 31 05 23)	✓	A	✓	✓																					
Margaret Blankson	A	A	✓	✓	✓	✓	A	A	✓	✓	✓	✓	A	A	A	A	A	✓	✓	✓	✓	✓	✓	✓	✓
Eiri Jones	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Claire Lehman (from 18 07 23)							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	A	✓	✓	✓
Stuart Parsons	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓
Stephen Tilton	✓	✓	✓	A	✓	✓	A	A	A	A	✓	✓	✓	✓	✓	A	A	✓	A	A	A	✓	✓	A	A
Dave Underwood	✓	✓	✓	✓	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Executives																									
Matthew Bryant	✓	✓	✓	✓	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emma Hallett (to 31 04 23)	✓	✓																							
Chris Hearn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jenny Horrabin (from 11 03 23)																							✓	✓	✓
Jo Howarth	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Alastair Hutchison	✓	✓	✓	✓	A	✓	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A	A	A	A	A
Nick Johnson	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nicola Plumb (from 01 05 23)			A	A	✓	✓	A	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	A
Anita Thomas	✓	✓	✓	✓	✓	✓	✓	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 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 recommendations on areas where further mitigations or improvement could be made. 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 2023-24 at a meeting held on 18th June 2024 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 2023/24

Name	Attendance/Meetings eligible to attend*
Claire Lehman	3/3
Stuart Parsons (Committee Chair)	5/5
Stephen Tilton	4/5
Dave Underwood	5/5

* Meetings of the Risk and Audit Committee took place in June (extraordinary), June, September, December, 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 will inform the respective joint committee Terms of Reference and annual work programmes for the coming year as these are developed.

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 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) is planned at the beginning of the new financial year in partnership with Dorset Healthcare University NHS Foundation Trust to develop a shared BAF and mitigations across the two organisations. Board sub committees will continue to monitor respective risks, mitigations and controls.

A formal review of the trust's Governance Framework and committee structures was undertaken during 2022/23. The review restructured and defined the groups reporting directly to board committees and introduced a subject matter expert / technical group tier into the hierarchy. The reviewed arrangements have evaluated well in the annual committee effectiveness review process, improving lines of communication from 'ward to board' and promoting more effective cross board communication and scrutiny.

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 last underwent formal external review of its compliance with the requirements in 2021 and the development and improvement actions identified at that time have been completed. Following recruitment to several jointly appointed executive roles in year, the trust has commenced preparations for a further review against the Well Led Framework in 2024 in anticipation of a formal CQC inspection.

Further details about how the trust is well led can be found in the Directors' Report section of this report and the Annual Governance Statement.

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.

During 2023/24 the CQC undertook an inspection of maternity services at Dorset County Hospital as a consequence of a planned National Review of Maternity Services across England. This resulted in the trust receiving a rating of Requires Improvement. As part of the inspection the trust was issued with a section 29A Warning Notice. As a consequence of the inspection, the trust commissioned an independent Maternity Improvement Advisor to complete a full diagnostic assessment and deliver recommendations to improve leadership structures, governance and oversight and compliance with the Maternity Incentive Scheme. The trust is committed to ensuring safe effective and patient centred care for our patients

and in response to the notice, inspection report, and independent diagnostic, the trust has progressed with identified areas for improvement.

During this reporting period, the CQC also began roll out of their new regulatory approach. The Single Assessment Framework has retained the five key questions and the four-point rating system. Services are to be assessed against Quality Statements which replace the Key Lines of Enquiry.

The trust continues to engage with the CQC inspection team, report on progress with action plans and respond to enquiries as and when received.

The CQC has continued to virtually attend the ICS System Quality Group to provide further scrutiny of quality in the trust and participated in a Rapid Quality Review of Maternity Services as a consequence of improvement work, together with NHS England and the Dorset ICB.

The CQC continues with a risk-based approach to regulation through their Single Assessment Framework, which is driven through a regular review of data and information available to the CQC through national and regional reporting, engagement with people who use the services and engagement meetings with the trust. Throughout the year, the trust has continued to be monitored under 'routine surveillance', meaning that no concerns were raised or escalated prompting additional inspection.

The trust has a current overall rating of 'Good' with a location rating of 'Requires Improvement'.

Information Governance

Significant work has continued in year to maintain information governance compliance requirements across the trust and to ensure compliance with the enhanced Data Security and Protection Toolkit requirements for the reporting period, 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 2023-24

ELECTED GOVERNORS

Name	Constituency	Current Tenure	Attendance at Council of Governors meetings/Meetings eligible to attend* x/x
Simon Bishop	East Dorset	01/10/23 – 30/09/26 (third term)	3/6
Maurice Perks	North Dorset	09/07/21 – 08/07/24 (second term)	6/6
Lynn Taylor	North Dorset	09/07/21 – 08/07/24 (first term)	4/6
Judy Crabb	West Dorset	09/07/21 – 08/07/24 (first term)	3/6
Sarah Carney	West Dorset	09/07/21 – 08/07/24 (second term)	3/6
Kathryn Harrison (Lead Governor)	West Dorset	01/10/23 – 30/09/26 (second term)	6/6
Steve Hussey	West Dorset	09/07/21 – 08/07/24 (first term)	5/6
Kevin Perry	West Dorset	01/10/23 – 30/09/26 (first term)	2/2
David Taylor	West Dorset	01/10/23 – 30/09/26 (first term)	2/2
Stephen Mason	Weymouth and Portland	09/07/21 – 08/07/24 (second term)	6/6
Tim Nicholls	Weymouth and Portland	01/10/23 – 30/09/26 (first term)	0/2
Dave Stebbing	Weymouth and Portland	09/07/21 – 08/07/24 (second term – non-consecutive)	1/6
Midhun Paul	Staff	01/10/23 – 30/09/26 (first term)	0/2
Tony Petrou	Staff	09/07/21 – 08/07/24 (first term)	4/6
Jack Welch	Staff	01/10/23 – 30/09/26 (first term)	2/2
VACANCIES			
1 VACANCY	East Dorset	-	-
1 VACANCY	South Somerset and Rest of England	-	-
2 VACANIES	Weymouth and Portland	-	-

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)	0/6
Tony Alford	Dorset Council	04/07/2025 (second term)	5/6
Jean-Pierre Lambert	Weldmar Hospice Care Trust	12/02/2026 (first term)	4/6
Barbara Purnell	Friends of DCH	16/10/2025 (first term)	6/6
Mike Wood	Weymouth College	30/06/2026 (first term)	1/3

GOVERNORS WHO LEFT DURING THE YEAR

Name	Constituency/Organisation	Leaving Date	Attendance at Council of Governors meetings/Meetings eligible to attend*
Dawn Harvey	Appointed Governor – NHS Dorset	11/10/2023	1/4
Kathryn Cockerell	Staff	10/05/2023	0/2
Tracy Glen	Staff	30/09/2023	1/4
Kevin Smith	Staff	23/01/2024	0/1
David Cove	West Dorset	30/09/2023	4/4
Margaret Alsop	Weymouth and Portland	30/09/2023	0/4
Mike Byatt	Weymouth and Portland	30/09/2023	2/4
David Richardson	Weymouth and Portland	30/09/2023	0/4

* The Council of Governors met on the following dates in 2023/24: 03 April (extraordinary), 28 April (extraordinary), 15 May, 11 September, 13 November, 12 February.

Governor Activities

Governor activity has continued to increase following a period of reduced activities during the pandemic. Council of Governors meetings and committee meetings have reconvened in person, with the option of virtual attendance when required. Governors were active in Non-Executive Director recruitment, governor engagement activities in support of developing the trust membership and have been engaged in the development of the joint strategy with Dorset Healthcare University NHS Foundation Trust.

Throughout the year governors have continued to meet regularly. In addition to the quarterly Council of Governors' meetings, two extraordinary meetings of the Council were in held in April 2023 to appoint a new Chair and a new Non-Executive Director (details below). 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 received the auditor's report on the annual report and accounts, the trust's NHS staff survey results, a briefing on the new Fit and Proper Persons requirements, and an update on the impact of the Integrated Care System. Council meetings included a standing item on the collaborative working with Dorset Healthcare University NHS Foundation Trust.

Governors met with the Chair and Chief Executive to consider how the trust worked with the Council and how this relationship could be further developed under their new leadership. Governors were also invited to participate in two externally facilitated workshops. The first workshop outlined for new governors and reinforced for existing governors the statutory role of the Council of Governors, the role of the Board of Directors, and representing members and the public at large. The second workshop was conducted jointly with the Dorset Healthcare University NHS Foundation Trust Council of Governors and explored how the two councils can learn from each other and work together, as part of the broader collaborative working between the two trusts.

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 three occasions to receive the recommendation for appointment to a Non-Executive Director vacancy, to consider the reappointment of a Non-Executive Director, to consider the job description of the Deputy Chair, to consider remuneration of the Non-Executive Directors, and to receive by consent the NHS Providers remuneration survey results.

Members of the committee were involved at all stages of the recruitment process which incorporated stakeholder engagement events, and a unanimous recommendation was made by the committee to the Council of Governors in April 2023 to appoint Claire Lehman as a Non-Executive Director.

Attendance at Nomination and Remuneration Committee 2022-23

Name	Title	Attendance/ Meetings invited to or required to attend
David Clayton-Smith (Chair)	Trust Chair	2/2
Dave Underwood	Non-Executive Director, Senior Independent Director	1/1
Simon Bishop	Public Governor	1/3

David Cove	Public Governor (up to 30/09/2023)	1/1
Judy Crabb	Public Governor	3/3
Kathryn Harrison	Lead Governor	3/3
Steve Hussey	Public Governor	2/3
Jean-Pierre Lambert	Appointed Governor	3/3
Stephen Mason	Public Governor	3/3
David Taylor	Public Governor	0/2

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

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 Governors meetings, and an open invitation for governor attendance at part one board virtual meetings. Additionally, a standing invitation to Confidential (part 2) Board of Directors meetings has been extended to the Lead Governor as part of the trust's focus on being open and transparent to the Council of Governors.

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. Governors are also able to ask questions as part of any agenda item presented to them at Council of Governors meetings. Executive attendance at Council meetings has enhanced the dialogue between the board and the governors.

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**
15 May 2023	Chief Executive Officer Interim Chief People Officer Chief Financial Officer Deputy CEO and Director of Strategy Transformation and Partnerships	David Clayton-Smith (Chair) Sue Atkinson
11 September 2023	Chief Executive Officer Interim Chief People Officer Chief Financial Officer Deputy CEO and Director of Strategy Transformation and Partnerships	Eiri Jones (Chair) Margaret Blankson Claire Lehman Stuart Parsons
13 November 2023	Chief Executive Officer Chief Financial Officer Interim Chief Nursing Officer Deputy CEO and Director of Strategy Transformation and Partnerships Chief Operating Officer	David Clayton-Smith (Chair) Claire Lehman Dave Underwood
11 February 2024	Chief Medical Officer (Deputising for the CEO) Deputy Chief Financial Officer Interim Chief Nursing Officer Interim Chief People Officer Chief Operating Officer	David Clayton-Smith (Chair) Maragret Blankson Dave Underwood

* Executives are invited to the Council of Governors on a routine basis and 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 2023/24.
** In addition to the Chair's attendance, Non-Executive Directors are invited to attend Part One Council of Governor meetings on a routine basis and present to the Council of Governors on a rota basis.

Governor Elections

In 2023/24, the trust held Governor elections in East Dorset, West Dorset, Weymouth and Portland, and the Staff constituency. There was an election for contested seats in West Dorset, with Governors in East Dorset, Weymouth and Portland, and the Staff constituency being elected unopposed. The election turnout was 18% in West Dorset. The following results were announced on 29 September 2023.

East Dorset
- Simon Bishop (re-elected)

West Dorset
- Kathryn Harrison (re-elected)
- Kevin Perry (elected)
- David Taylor (elected)

Weymouth and Portland
- Tim Nicholls (elected)

Staff Governors

Midhun Paul (elected)
Kevin Smith (elected)
Jack Welch (elected)

The following governors left the Council of Governors at the end of the election process:

Margaret Alsop – Weymouth and Portland (did not stand)
David Cove – West Dorset (end of final term)
Tracy Glen – Staff (end of final term)
David Richardson – Weymouth and Portland (stood down)

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 2023/24. Governors have continued to engage with the trust membership and with members of the public by 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 bi-annual governor Bulletin; an e-newsletter to enable to governors to communicate directly with the membership. Through these mechanisms the governors are able to update the membership and constituents on how they have discharged their responsibilities.

In the autumn of 2023, the committee commissioned a membership survey to seek views from Members about how they like to be engaged with and what information they like to receive. The results of the survey are being implemented and will inform how the trust engages with its members in the future.

Constituency	2023/24	2022/23
East Dorset	203	213
North Dorset	220	223
South Somerset and the Rest of England	85	85
West Dorset	1,061	1,121
Weymouth and Portland	616	652
Total Public Members	2,185	2,296
Staff Members	4,488	4,477
Total	6,673	6,773

NHS Oversight Framework

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

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

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

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

The trust started the financial year in segment 2 reflecting its performance in elective, cancer, primary care, quality and workforce. However, in quarter three the trust moved in to segment 3 due to financial performance, elective waiting times, and following a CQC inspection on maternity services where the service rating outcome was requires improvement.

This segmentation information is the trust's position as at 31 March 2024.

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
24 June 2024

Annual Governance Statement 2023/24

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 2024 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 year. Significant and sustained operational pressures throughout the year, compounded by industrial action has reduced divisional representation at committee meetings although key issues and risks continued to be reported to committee and the Board. The frequency of Board and sub-committee meetings been maintained as per the Board approved terms of reference in order that the Board could continue to scrutinise risks to delivery of the strategy and operating plan and to make essential decisions in a timely manner. Each subcommittee of the Board reviews the Board Assurance Framework, outlining the strategic risks and mitigations, on a quarterly basis alongside the Corporate Risk Register which outlines operational risks. There is a clear communication and escalation reporting process embedded across committees, that ensures risks are appropriately transmitted across committees and that assurances on mitigating actions are undertaken.

The Board and sub-committees continued to receive regular reports against key quality and safety metrics and performance; benchmarking with system and regional partners. 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 of 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. The Board of Directors is working jointly with the Board of Directors in Dorset Healthcare University NHS Foundation Trust (DHC) on the development of a joint strategy and a shared 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. This Chief Nursing Officer post was appointed jointly with DCH from 1st April 2024 and will actively support a shared approach to the management of strategic risks and delivery of the joint strategy.

The trust has a Safety Group, which reviews risks, incidents and Health and Safety matters. It reports 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 that 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 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 each quarter. The Board sub-committees provide greater scrutiny of the controls and mitigations in place in support of the Board Assurance Framework.

Working closely with Dorset Healthcare University NHS Foundation Trust and actively engaging with staff, partners across the Integrated Care System, governors and the public during the last six months of the year, the trust has jointly developed a strategy, aligned to the ICS strategy, to deliver population health improvements through transformational change over the next five years. The strategy and strategic objectives are being finalised and are expected to be approved by the respective Boards of Directors in quarter 1 2024. Alongside this, a shared Board Assurance Framework, outlining the risks to achieving the shared strategic objectives and mitigating actions is being developed and is also expected to be approved in quarter 1.

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, 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 do not 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 arrangements in year and compared these with the arrangements in place in Dorset Healthcare University NHS Foundation Trust to identify areas of potential alignment and support greater integration of the two trust's arrangements and the appointment of several joint executive roles. The review included a review of the existing Board, subcommittee and group reporting structures, membership, respective committee terms of reference and frequency. The Boards of Directors in each trust approved the further review of individual committees and phased introduction of committees in common over the coming year as executive portfolios and operations are jointly developed and will allow. A joint People and Culture Committee is expected to be introduced in June 2024 providing consistent Board oversight of the workforce agenda across the two trusts, with other committees expected to adopt a similar approach later in the year.

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.

The trust has maintained oversight of key quality performance and activity metrics throughout another challenging year, 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.

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. You can find out more about how the CQC regulates the trust's activities in the Accountability Report section of this annual report.

The Quality Committee has continued to scrutinise quality governance arrangements and performance in the trust and provide assurance to the Board. The interim 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 Finance and Performance Committee also met monthly and the Chief Finance Officer, and the Chief Operating Officer are the executive leads. The incumbent Chief Finance Officer was appointed as the joint Chief Finance Officer with Dorset Healthcare University NHS Foundation Trust in February 2024, providing integrated leadership of the finance agenda across the two trusts. 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, in conjunction with system partners, achieving a break-even year-end financial position.

The People and Culture Committee provides the focus on people and culture. Staff wellbeing and support has remained 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. An interim Chief People Officer appointment with Dorset Healthcare University NHS Foundation Trust was made and was in place for the majority of the year with a substantive appoint of the incumbent being made in February 2024. The joint Chief People Officer is the executive lead.

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 in year 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 (as outlined in the trust strategy) and are risk rated 15-20 (the highest level of risk):

1. 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.
2. We do not develop a compassionate, inclusive and open culture in the Trust within which staff feel involved, empowered, that they belong and that they are at their best.

3. If the population demand is over the ability to create and deliver capacity that meets the constitutional standards and quality standards outline under the CQC regulatory framework, then the objective of high-quality care that is safe and effective will not be met.
4. If we do not deliver robust, accurate and timely coding then data submitted to NHSE and NHS Digital will not be reflective of the care delivered, so workload will be inaccurate and there will be a negative impact on reputation through KPI's such as the Summary Hospital-level Mortality Index.
5. If the trust fails to deliver sustained financial breakeven and to be self-sufficient in cash terms then it could be placed into special measures by the regulator and need to borrow externally to ensure it does not run out of cash
6. If we do not deliver robust, accurate and timely coding then data submitted to NHSE and NHS Digital will not be reflective of the care delivered, so workload will be inaccurate and there will be a negative impact on reputation through KPI's such as the Summary Hospital-level Mortality Index.
7. If we fail to work with our partners on effective criteria to admit, criteria to reside, and discharge pathways, then patients will have unnecessary and lengthy hospital stays leading to poorer outcomes and therefore the objective of high-quality care that is safe and effective will not be met.

Following a review of the trust's Risk Appetite Statement in January 2024, the committee Chairs and executive leads were charged with reviewing risk mitigations and scores within the Board Assurance Framework against the revised appetite. This has been completed and the Board Assurance Framework updated.

A shared Board Assurance Framework outlining risks to the delivery of the joint strategy and strategic objectives, is being developed with Dorset Healthcare University NHS Foundation Trust, will be in place from mid 2024/25.

The NHS Provider License was refreshed to include all NHS provider organisations in March 2023. The trust can assure itself of compliance with NHS Licence section 4 requirements through the following mechanisms that have been deployed during 2023/24:

- 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. Governor participation in these visits has continued 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.

- A comprehensive review of compliance with the revised Code of Governance and new NHS Provider License requirements was completed in quarter 4.

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 governors, the trust's membership, staff and system partners on key strategic direction decisions as part of the development of the trust's joint strategy and alignment with the Integrated Care System Forward Plan.
- 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

Assurance to the Board that short, medium, and long-term workforce strategies and staffing systems are in place, is through the monthly People and Culture Committee, where progress against the three-year People Plan is reviewed.

Daily safe staffing meetings are held with Divisional Heads of Nursing, the Safer Staffing Matron, and the Temporary Staffing Team. These are held in conjunction with regular safe staffing audits and matters are escalated to the Chief Nursing Officer. The Quality Committee monitors safer staffing levels and receives a safer staffing report twice per year. The trust is assured that it complies with the *Developing Workforce Safeguard* recommendations through:

- Formal adoption of the NQB 2016 guidance in Safe Staffing policies and procedures.
- Bi-annual audit of safe staffing levels using the Safer Nursing Care Tool and subsequent reporting to the Trust Board.
- Development of the Safe Staffing governance framework to ensure evidence of compliance with professional judgement, triangulation with quality and safety risks, and daily decision making with clear lines of escalation, as well as describing the ward to board safeguards in place.
- Development and delivery of an annual workforce plan that has delivered recruitment of approximately 100 Registered Nurses via a pro-active overseas recruitment

campaign and secured new-to-care Healthcare Support Workers to deliver the lowest vacancy and attrition rates in 2 years. Subsequent reductions in the use of agency and temporary staffing and associated costs

- Monthly review of ESR people performance, workforce modelling, establishments and clinical models of care to inform strategic plans and ensure operational delivery. This approach as secured funding to implement Allocate Safe Care in Quarter 1 2024/25 to support.
- Appointment of an Associate Director, Allied Health Professions and a Safe Staffing Fellow to strengthen the leadership of workforce planning, development and delivery of the national and system priorities.
- Development of Ward level dashboards detailing key nursing, quality and staffing metrics to inform local and Trust-wide areas for improvement.

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*.

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 has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The NHS System Oversight Framework published in June 2021 brings together arrangements for provider and commissioner oversight in a single document and 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. It also 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 has been placed into segment 3 by NHS England. Further information about the Trust's segmentation and action that it is taking can be found in Corporate Governance Report section of this annual report.

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 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 and is guided by the Board Assurance Framework and corporate risk register or where issues have been identified. Any concerns on the economy, efficiency and effectiveness of the use of resources are well monitored and addressed or escalated in a timely and appropriate manner.

Information Governance

The number of pan-Dorset or ICB projects and initiatives continues to grow to enable the organisations to move closer towards operating in an integrated way. The digital and information governance teams continue to work collaboratively to develop more joined up provision of care across Dorset in many areas, and work is ongoing to develop a Dorset-wide electronic patient record for enhanced care to our residents and those in Somerset.

This exciting project is currently at the outline business case stage but there are short deadlines in place if we are to qualify for the available NHS England funding. If successful, this will be a huge and demanding project, but one that will deliver considerable benefits to patients because the combined health information of the healthcare organisations will be available to clinicians in the region at the same time.

The 2022/23 Data Security and Protection Toolkit (DSPT) submission was successfully completed in June 2023, work continues to gather evidence to fulfil the 2023/24 criteria by 30th June 2024. NHS England's enhanced requirements towards information governance and cyber security training and awareness will raise the standard across the organisation as we continue to develop and roll out more varied resources to engage with different groups and teams.

Emails sent to and from health and social care organisations must meet NHS England's secure email standard DCB1596 so that everyone can be sure that sensitive and confidential information is kept secure through encryption. The trust continues to achieve this annual re-accreditation, and this assurance has now been extended to include our Cloud storage of

emails. The ability to communicate digitally with other healthcare providers by a secure method helps to improve interoperability across the Integrated Care System and wider NHS.

Dorset County Hospital NHS Foundation Trust's ISO 27001 information security management system (ISMS) accreditation for Digital Technology and Infrastructure (DTI) evidences a standards-based approach, to assure both internal and external stakeholders of our ongoing commitment. The department satisfied the information security external audit again to maintain this British Standards Institution (BSI) technical standard, which is a significant achievement that demonstrates an enhanced level of information protection throughout the trust.

Multi-factor authentication (MFA) is now mandated by NHS England and must be in place for all users of trust systems by the end of June 2024. This will further enhance our digital security by reducing the opportunities for cyber-attacks, adding another layer of protection to the digital estate.

Changes in the integrated senior management and leadership teams mean that the Senior Information Risk Owner (SIRO) now has responsibility for information governance across both Dorset County Hospital NHS Foundation Trust and Dorset Healthcare University NHS Foundation Trust. The individuals and roles of the two Caldicott Guardians, Deputy SIRO and Data Protection Officer are unchanged.

Subject access requests for patients, staff members, urgent care, solicitors, and the police have been steadily rising, these continue to be managed within the mandated timeframes for compliance.
Two incidents were reportable to Information Commissioner's Office (ICO) during 2023/24, these were reported using the Data Security and Protection Toolkit portal:

1. A letter was sent to the parents of an adopted child erroneously using the child's birth surname rather than their legally adopted name.
2. Two patients with the same name had the same sleep study at the hospital, the report of one was accidentally posted to the other.

Both investigations were accepted by the ICO and no further action was required.

A complaint was made to the ICO by a patient who believed that a member of staff known to them had disclosed sensitive health information to others in their community, an investigation was conducted and no further action was required.

There were two further complaints made to the ICO with regard to the trust's non-compliance with the Freedom of Information Act 2000, these requests were completed satisfactorily and no further action was required.

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 Chief Information Officer reports directly to an Executive Director and the Chief Finance Officer is the accountable Senior Information and Reporting Officer. Oversight of the digital and data quality agendas is through the Digital

Transformation and Assurance Group and the Information Governance Group which report to the Finance and Performance Committee. The Information Governance Manager/Data Protection Officer leads the operational delivery of the Data Security and Protection Toolkit (DSPT) and works closely with the Information Assurance Manager to support the requirements of the DSPT and other regulatory requirements across the trust.

The role of policies and plans in ensuring quality data

The trust 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 to ensure that the data from different systems can be joined together as seamlessly as possible 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:** In line with the Data Security and Protection Toolkit (DSPT) there has been some considerable work during the last year improving how we maintain the Information Asset Register and in reinforcing through training and support, the roles of the Information Asset Administrators (IAA) and Information Asset Owners (ISO). These are key roles across the trust in supporting a robust mechanism to monitor and control data quality measures for all trust information systems, this has included more emphasis on non-clinical information assets. In addition, the Information Assurance Manager, reporting to the Information Governance Group, works with divisional and change management teams to educate, reinforce and monitor data quality and information management processes across the trust, particularly for all patient-based applications.
- **Governance.** Information assurance, incorporating data quality, is reported through the Information Governance Group, chaired by the SIRO with escalation to the Finance and Performance Committee. The Digital Transformation and Assurance Group (DTAG), chaired by the Joint Chief Strategy, Transformation and Partnership also receives key performance indicators (KPI) relating to key data quality metrics as part of the broader and regular KPI reporting across all digital services.
- **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 for the trust. The trust conducts an annual DSPT audit to ensure compliance, this requires information asset 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**. In addition to the annual DSPT audit, other data quality audits 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 addition to departmental clinical audits. Key issues are discussed at the Information Governance 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. In recognition of this the Information Assurance Team has been increased by 1 WTE this year, so this team of three, including the Information Assurance Manager, continue to work closely with system managers and key business users to address any data quality issues. 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 2023/24 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 2023/24.

Well Led
The trust has regard to the NHS England Well led Framework in its overall evaluation of its performance, systems of internal control and the identification and mitigation of strategic risks. The trust's approach to ensuring that services are well led is discussed more fully in the Corporate Governance section of this annual report.

The trust has completed actions within the further development plan following a well led review in 2021. The following executive appointments were made jointly with Dorset Healthcare University NHS Foundation Trust in year:

- Chief People Officer
- Chief Finance Officer
- Director of Strategy, Transformation and Partnerships
- Director of Corporate Affairs
- Chief Nursing Officer (from April 2024)

to support greater collaboration between the two trusts.

A review of board subcommittee arrangements was undertaken in year to identify shared objectives and risks, and areas of greater integration and collaboration. A more detailed proposal for the phased implementation of joint Board subcommittees operated with Dorset Healthcare University NHS Foundation Trust will be presented for approval in quarter 1.

A comprehensive audit of care group and divisional governance arrangements was also undertaken in year to review consistency of approach across services. An action plan has been developed and approved by the Quality Committee.

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 arrangements in year and compared these with arrangements in place at Dorset Healthcare University NHS Foundation Trust with the aim of strengthening governance arrangements consistently across both trusts and identifying opportunities to increase collaboration and integration.

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 Corporate 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 ongoing review of strategic risks against the developing joint strategy with 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.

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 workforce planning matters 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.

Working Together – Committee in Common

Following approval by the trust's Board of Directors and the Board of Directors at Dorset Healthcare University NHS Foundation Trust, a committee in common comprising executive and non-executive members of both boards was established to oversee delivery of joint working and service transformation developments. The committees meet on a bi-monthly basis and consider flagship and case study transformational schemes across the range of clinical and corporate services that support delivery of the Integrated Care System Forward Plan and promote population health and improved service quality and productivity.

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 2023/24 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 across various services".
- 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.

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 2024 and up to the date of approval of the annual report and accounts.

Matthew Bryant
Chief Executive
24 June 2024

The Accountability Report was approved by the Board of Directors on 24 June 2024 and signed on its behalf by Matthew Bryant, Chief Executive.

Matthew Bryant
Chief Executive
24 June 2024

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 2024 which comprise the Group and Trust Statement of Comprehensive Income, Group and Trust Statement of Financial Position, Group and Trust Statement of Changes in Taxpayers Equity and Group and Trust Statement 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 and the Trust's affairs as at 31 March 2024 and of the 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 February 2024 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2023/24; 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 the Trust's services or dissolve the Group and the 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 their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the 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 the 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 the 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 Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group and Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- 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 Trust management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the nature of the funding provided to the Group and the Trust during the year. We therefore assessed that there was limited opportunity for the Group and the Trust to manipulate the income that was reported.

We also identified a fraud risk related to expenditure recognition in response to the opportunity to alter the year end position. 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 and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account pairings with revenue, expenditure, cash and borrowings and post close journals.
- For a selection of cash payments and purchase invoices in the period post 31 March 2024, verify that the expenditure had been recognised in the correct accounting period to which the expenditure related.
- Evaluating for a sample of accruals posted as at 31 March 2024 through performing a year on year review of accruals to identify whether the balance 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 from inspection of the Group and Trust's regulatory and legal correspondence 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 and Trust 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 2023/24. 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 2023/24.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 122, 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 the 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 the Trust or dissolve the Group and the Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

As explained more fully in the statement set out on page 132, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

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

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is unlawful, or is about to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.

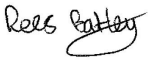
We have nothing to report in this respect.

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 2024 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

25 June 2024

Foreword to the Account

These accounts for the year ended 31st March 2024 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 2023/24.

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
24 June 2024

Statement of Comprehensive Income for the year ended 31st March 2024

		Group		Trust	
		2023/24	2022/23	**2023/24**	2022/23
	Note	**£000**	£000	**£000**	£000
Operating income from patient care activities	3	275,583	256,409	275,583	256,409
Other operating income	4	31,170	27,547	31,239	27,639
Operating expenses	6	(304,916)	(284,861)	(305,105)	(285,084)
Operating surplus/(deficit)		**1,837**	**(905)**	**1,717**	**(1,036)**
Finance costs:					
Finance income	10	938	539	910	524
Finance expenses	11	(675)	(556)	(675)	(556)
PDC dividends charge		(4,403)	(3,937)	(4,403)	(3,937)
Net finance costs		**(4,140)**	**(3,954)**	**(4,168)**	**(3,969)**
Gains/(losses) on disposal of assets	12	7	(18)	7	(18)
Corporation tax expense		(35)	(28)	-	-
(Deficit)/surplus for the year		**(2,331)**	**(4,905)**	**(2,444)**	**(5,023)**
Other comprehensive income will not be reclassified to income and expenditure:					
Impairment of property, plant & equipment		(5,358)	-	(5,358)	-
Revaluation gains on property, plant & equipment		162	3,728	162	3,728
Total comprehensive expense for the year		**(7,527)**	**(1,177)**	**(7,640)**	**(1,295)**

The notes on pages 150 to 188 form part of these accounts.

Statement of Financial Position as at 31st March 2024

		Group		Trust	
		31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	Note	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	14	15,800	12,324	15,800	12,324
Property, plant and equipment	15.4	161,065	154,375	161,065	154,375
Right of use assets	16	20,384	21,963	20,384	21,963
Trade and other receivables	18.1	684	809	684	809
Total non-current assets		**197,933**	**189,471**	**197,933**	**189,471**
Current assets					
Inventories	17	3,778	3,525	3,544	3,363
Trade and other receivables	18.1	21,204	14,041	21,183	14,129
Cash and cash equivalents	19	8,805	18,914	8,609	18,302
Total current assets		**33,787**	**36,480**	**33,336**	**35,794**
Current liabilities					
Trade and other payables	20	(32,539)	(33,848)	(32,614)	(33,576)
Borrowings	21	(1,753)	(1,561)	(1,753)	(1,561)
Provisions	22	(36)	(38)	(36)	(38)
Other liabilities	23	(2,007)	(4,545)	(2,007)	(4,545)
Total current liabilities		**(36,335)**	**(39,992)**	**(36,410)**	**(39,720)**
Total assets less current liabilities		**195,385**	**185,959**	**194,859**	**185,545**
Non-current liabilities					
Borrowings	21	(30,271)	(30,008)	(30,271)	(30,008)
Provisions	22	(241)	(284)	(241)	(284)
Total non-current liabilities		**(30,512)**	**(30,292)**	**(30,512)**	**(30,292)**
Total assets employed		**164,873**	**155,667**	**164,347**	**155,253**
Financed by taxpayers' equity:					
Public dividend capital		153,978	137,245	153,978	137,245
Revaluation reserve		49,546	54,742	49,546	54,742
Income and expenditure reserve		(38,651)	(36,320)	(39,177)	(36,734)
Total taxpayers' equity:		**164,873**	**155,667**	**164,347**	**155,253**

The financial statements on pages 146 to 188 were approved by the Board on 24 June 2024 and signed on its behalf by:

Matthew Bryant
Chief Executive
24 June 2024

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 2023	**155,667**	**137,245**	**54,742**	**(36,320)**
Deficit for the year	**(2,331)**	-	-	(2,331)
Net impairments on property, plant and equipment	**(5,358)**	-	(5,358)	-
Revaluations on property, plant and equipment	**162**	-	162	-
Public Dividend Capital received	**16,733**	16,733	-	-
Taxpayers' equity at 31 March 2024	**164,873**	**153,978**	**49,546**	**(38,651)**
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)**

Trust	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2023	**155,253**	**137,245**	**54,742**	**(36,734)**
Deficit for the year	**(2,444)**	-	-	(2,444)
Net impairments on property, plant and equipment	**(5,358)**	-	(5,358)	-
Revaluations on property, plant and equipment	**162**	-	162	-
Public Dividend Capital	**16,733**	16,733	-	-
Taxpayers' equity at 31 March 2024	**164,346**	**153,978**	**49,546**	**(39,178)**
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)**

The Revaluation Reserve consists of £49,524k (£53,822k at 31 March 2023) relating to property, plant and equipment and £22k (£920k at 31 March 2023) 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 2024

	Group		Trust	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Cash flows from operating activities				
Operating (deficit)/surplus	1,837	(905)	1,717	(1,036)
Depreciation and amortisation	11,105	10,479	11,105	10,478
Impairments and reversals	2,025	5,006	2,025	5,006
Income recognised in respect of capital donations (cash and non-cash)	(194)	(494)	(194)	(494)
Increase in trade and other receivables	(6,994)	(7,087)	(6,885)	(7,286)
Increase in inventories	(253)	(650)	(182)	(677)
Decrease in trade and other payables	(1,472)	2,529	(1,124)	2,406
Increase / (Decrease) in other liabilities	(2,538)	1,426	(2,538)	1,426
Increase in provisions	(48)	(8)	(48)	(8)
Corporation tax paid	(35)	(5)	-	-
Net cash generated from operations	**3,433**	**10,291**	**3,876**	**9,815**
Cash flows from investing activities				
Interest received	967	456	940	444
Purchase of intangible assets	(4,202)	(2,929)	(4,202)	(2,929)
Purchase of property, plant and equipment	(20,401)	(24,065)	(20,401)	(24,065)
Sales of property, plant and equipment	9	39	9	39
Receipt of cash donations to purchase capital assets	194	494	194	494
Net cash used in investing activities	**(23,433)**	**(26,005)**	**(23,460)**	**(26,017)**
Cash flows from financing activities				
Public Dividend Capital received	16,733	14,413	16,733	14,413
Capital element of lease liability repayments	(1,656)	(967)	(1,656)	(967)
Interest Paid	(97)	(97)	(97)	(97)
Other interest	(1)	-	(1)	-
Interest element of lease liability repayments	(578)	(416)	(578)	(416)
Public Dividend Capital paid	(4,510)	(4,256)	(4,510)	(4,256)
Net cash used in financing activities	**9,891**	**8,677**	**9,891**	**8,677**
Increase in cash and cash equivalents	**(10,109)**	**(7,037)**	**(9,693)**	**(7,525)**
Cash and cash equivalents at 1 April	18,914	25,951	18,302	25,827
Cash and cash equivalents at 31 March	**8,805**	**18,914**	**8,609**	**18,302**

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 2023/24 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 £139.8 million net book value of land and buildings subject to valuation, £116.3 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.

DCH 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. 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. DCH SubCo Ltd accounting date is coterminous with the Trust's accounting date.

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 2024 was £5.2m and its gross assets at 31 March 2024 totalled £1.0m.

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 2023/24 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 NHS income is earned from NHS commissioners under the NHSPS sets out rues to establish the amount payable to trusts for NHS-funded secondary healthcare in the form of fixed payments to fund an agreed level of activity.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as

variable considerations under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

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 to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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 and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BTP on non-elective services is included in the fixed element of API contracts with adjustments for actual achieved being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed. In 2023/24 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 2024.

The Key factors impacting on the land and property valuation

The valuation involves estimation techniques and in arriving at their opinion of the useful economic life and value of a building, the Trust's property valuation takes into account the following aspects:

- Physical obsolescence - the age, condition and the probable costs of future maintenance.
- Functional obsolescence - the suitability of the properties for their present use and the prospect of continuance or use for an alternative purpose. Another potential cause of functional obsolescence is legislative change, for example, statutory and regulatory compliance, including compliance with sustainability and energy legislation.
- Economic obsolescence - the extent of any loss in value resulting from external economic factors.
- Environmental Factors **-** where the existing use has been considered in relation to the present and future characteristics of the surrounding area, local and national planning policies and restrictions likely to be imposed by the planning authority on the continuation of the use.
- Change of use - any identified present of future change of use of a building.

The valuation has been prepared in accordance with International Financial Reporting Standards (IFRS) as interpreted and applied by the HMT Treasury Financial Reporting Manual (FReM), compliant DHSC Group Accounting Manual (GAM), and to comply with IFRS, specifically with regard to IAS 16 'Property, Plant and Equipment'.

The valuer's opinion of Fair Value was primarily derived using the Depreciated Replacement Cost (DRC) approach to value the specialised operational assets, and for non-specialised assets an Existing Use Value (EUV) basis as defined in the RICS Valuation – Professional Standards at UK VPGA 6.

Where assets are "specialised" the DRC for the Modern Equivalent Asset (MEA) methodology has been employed. An MEA has been determined based upon a single build programme on a cleared site to modern design and arrangement/adjacencies. The valuer has applied information provided by the Trust during consultation as to how a new MEA might be designed. Moreover, the valuer has analysed similar modern facilities presently being developed, where site densities, building arrangement, number of stories and bed provision can be analysed and adjusted as appropriate to the subject Trust.

In arriving at the replacement build cost rates used in the DRC valuations, the Valuer relies on BCIS and other published costs data supplemented where available by knowledge of recent build costs incurred by the Trust of constructing general and specialised healthcare accommodation. The indices are shown in the table below:

Indices	2022/23	2023/24	Change
BCIS (TPI)	379	390	+11
Location Factor	106	106	0

Floor areas

The Trust uses a MICAD database/repository for its estate data, including plans and floor areas. The system is updated on an ongoing basis to reflect new build and disposals and other updates reflecting remeasurement to maintain data quality. Floor areas are supplied by the Trust to the valuer to inform the valuation. Differences between the floor areas held by the Trust and the valuer are investigated and resolved to a de minimums of no impact on the value.

Land Values

Land has been assessed to Current Value, interpreted as EUV, having regard to the cost of purchasing a notional replacement site in the same locality, equally suitable for the existing use and of the same size, with normally the same physical and locational characteristics as the actual site, other than characteristics of the actual site that are irrelevant, or of no value, to the existing use. Where the use is too specialised to categorise in market terms, the land has been valued assuming the benefit of planning permission for development for a use, or a range of uses, prevailing in the vicinity of the actual site.

Sensitivity of Assumptions

A sensitivity analysis of these assumptions allows the Trust to understand the impact on materiality, given the estimation uncertainty implicit in the valuation. The table below setting out at a high level the sensitivity of the valuation of the main hospital site to movements in each of these key assumptions, using a 5% tolerance. 31 March 2023 balances have been used as the baseline to derive these values, as the valuation indices were applied to these balances in arriving at the 31 March 2024 valuation.

	Build Cost Index	Obsole-scence Factor	Land Value /Acre
Baseline Adjustment Factor	1.029	(1.015)	1.02
Assumption value (£m)	2.9	(13.0)	0.07
Sensitivity (+5%) (£m)	5.1	(0.7)	0.2
Sensitivity (-5%) (£m)	(5.1)	0.7	(0.2)

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.

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.

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.

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	79
Dwellings	19	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 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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 was 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 was 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 were only 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 was used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments were 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 was reassessed with reference to the right of use asset.

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. Cash, bank and overdraft balances are recorded at current values.

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 2024:

Term	Years	Nominal rate	Prior year rate
Short	Up to 5	4.26%	3.27%
Medium	After 5 up to 10	4.03%	3.20%
Long	After 10 up to 40	4.72%	3.51%
Very long	Exceeding 40	4.40%	3.00%

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 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 2.45% in real terms (prior year: 1.70%).

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 assets 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 and financial liabilities 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 De-recognition

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

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

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 2023/24. 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 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not therefore permitted

IFRS 18 Presentation and Disclosure in Financial Statements – issued in April 2024 and applies to periods beginning on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FREM and therefore it is not yet possible to confirm how this will impact on our accounts in the future.

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 2023/24.

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.

The Trust is reporting a deficit of £2.3 million for the year ended 31 March 2024 but this is reduced to £0.05 million after technical adjustments for impairments £2.0 million and capital donations impact for £0.25 million. As at 31 March 2024 the Trust had a closing cash position of £8.8 million. The Trust has submitted a planned break-even position for 2024/25 and a closing cash position of £5.8 million. The Trust has received approval from NHS England for interim PDC revenue support of £5.1 million in 2024/25. Similar projections are anticipated during the 1st quarter of 2025/26.

The Trust will have contracts with national and local commissioners for 2024/25 and the Board of Directors have made no decision to discontinue any operations, transfer services or significantly restructure the organisation. The regulator (NHS England) have not issued any communications that impact the Trust's going concern requirements.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust and revenue support 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 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

3.1 Analysis by activity

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Aligned payment & incentive (API) income - Variable*	54,579	-	54,579	-
Aligned payment & incentive (API) income - Fixed*	196,719	225,849	196,719	225,849
High costs drugs income from commissioners	11,913	10,108	11,913	10,108
Other NHS clinical income	3,220	344	3,220	344
Private patient income	1,274	963	1,274	963
Elective recovery fund	-	6,554	-	6,554
Additional pension contribution central funding**	7,473	6,674	7,473	6,674
Other clinical income***	405	5,917	405	5,917
Total	**275,583**	256,409	**275,583**	256,409
Income commissioner requested services	273,904	255,041	273,904	255,041
Income non-commissioner requested services	1,679	1,368	1,679	1,368
Total	**275,583**	256,409	**275,583**	256,409

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment system documentation. https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**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.

***Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was 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.

3.2 Analysis by source	**Group**		**Trust**	
	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000	**Year ended 31 March 2024 £000**	Year ended 31 March 2023 £000
NHS - Foundation Trusts	248	244	248	244
NHS - NHS England	44,484	48,588	44,484	48,588
NHS - CCGs	-	48,545	-	48,545
NHS - ICBs	229,208	157,564	229,208	157,564
Local authorities	-	-	-	-
NHS - other	96	100	96	100
Non NHS - private patients	1,274	963	1,274	963
Non NHS - overseas patients	-	29	-	29
NHS Injury Scheme	251	358	251	358
Non NHS - other	22	18	22	18
Total	**275,583**	256,409	**275,583**	256,409

NHS Injury Scheme income relating to the 2023/24 financial year is subject to a provision for doubtful debts of 22.43% (2022/23: 24.86%) to reflect expected rates of collection.

The Group and Trust overseas patient income for the year amounted to £nil (2022/23 £29k). Cash received amounted to £20k (2022/23 £15k) in respect of current and previous years' income. The amounts written off in respect of current and prior years amounted to £nil (2022/23 £nil).

4. Other operating income

	Note	Group		Trust	
		Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
		£000	£000	**£000**	£000
Research and development		1,116	807	1,116	807
Education and training		11,201	11,785	11,201	11,785
Education and training - notional income from apprenticeship fund		781	710	781	710
Received from NHS Charities: Cash donations		194	494	194	494
Received from NHS Charities: Contributions to expenditure		86	38	86	38
Received from other Charities: Contributions to expenditure		-	9	-	9
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response		102	539	102	539
Non-patient care services to other bodies		14,650	9,767	14,711	9,852
Reimbursement and top up funding		-	480	-	480
Staff recharges		365	359	365	359
Operating leases - Minimum lease receipts	5	102	92	110	99
Car parking		309	164	309	164
Catering		720	548	720	548
Pharmacy sales		52	83	52	83
Staff accommodation rentals		676	584	676	584
Non-clinical services recharged to other bodies		4	4	4	4
Clinical excellence awards		49	95	49	95
Other income generation schemes		69	70	69	70
Other income		694	919	694	919
Total		**31,170**	27,547	**31,239**	27,639

5. Operating lease income and future receipts

Lease receipts recognised as income in year:	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Minimum lease receipts	102	92	110	99
Total minimum lease payments	**102**	92	**110**	99
Of which:				
Income generated from owned assets	**102**	92	**110**	95
Future minimum lease receipts due:				
Not later than one year	100	86	108	93
Later than one year and not later than five years	200	258	216	258
Total	**300**	344	**324**	351

6. Operating expenses

	Note	Group		Trust	
		Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
		£000	£000	**£000**	£000
Employee expenses	7.1	198,516	185,761	198,423	185,681
Employee expenses - Non-executive directors		128	143	128	143
Purchase of healthcare from NHS and DHSC bodies		7,515	8,089	7,515	8,089
Purchase of healthcare from non-NHS and non-DHSC bodies		9,914	8,371	15,168	14,338
Supplies and services - clinical (excluding drug costs)		20,572	19,028	20,572	19,028
Supplies and services - clinical utilsation of consumables donated from DHSC for COVID response		102	539	102	539
Supplies and services - general		2,734	2,225	2,734	2,225
Drug costs		25,559	23,774	20,604	18,128
Inventories written down (net, incl. drugs)		27	8	27	8
Consultancy costs		119	89	112	83
Establishment		2,089	1,702	2,088	1,701
Premises - Business rates payable to Local Authorities		1,409	1,203	1,409	1,203
Premises - Other		9,809	6,849	9,809	6,849
Transport (business travel only)		433	436	433	436
Transport (other)		552	524	552	524
Depreciation on property, plant and equipment		10,341	9,242	10,341	9,241
Amortisation on intangible assets		764	1,237	764	1,237
Impairments net of (reversals)	13	2,025	5,006	2,025	5,006
Movement in credit loss allowance		-	1	-	1
Change in provisions discount rate		(4)	(20)	(4)	(20)
External audit - statutory audit services*		145	75	139	69
Internal audit costs - (not included in employee expenses)		113	65	113	65
Clinical negligence - NHS Resolution (premium)		6,233	5,401	6,233	5,401
Legal fees		133	89	133	89
Insurance		121	116	121	116
Research and development		82	33	82	33
Training courses and conferences		1,322	1,213	1,321	1,213
Education and training - notional expenditure funded from apprenticeship fund		781	710	781	710
Lease - short term lease (<= 12 months)		71	123	70	123
Lease - low value assets (<£5k, excluding short term leases)		-	4		4
Car parking and security		1,381	1,538	1,381	1,538
Losses, ex gratia & special payments		6	7	6	7
Other services		1,164	767	1,164	767
Other		760	513	759	509
Total		**304,916**	284,861	**305,105**	285,084

*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 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Staff & executive directors	196,296	183,751	196,203	183,671
Research and development staff	994	887	994	887
Education and training staff	1,205	1,102	1,205	1,102
Redundancy	-	17	-	17
Early retirements	21	4	21	4
Special payments	-	-	-	-
	198,516	185,761	**198,423**	185,681
Salaries and wages	147,188	136,509	147,106	136,440
Social security costs	15,610	14,428	15,602	14,420
Apprenticeship levy	755	682	755	682
Employer contributions to NHS Pension scheme	17,250	15,219	17,250	15,219
Employer contributions paid by NHSE on provider's behalf (6.3%)	7,473	6,674	7,473	6,674
Pension cost - other	61	66	58	63
Agency and contract staff	13,430	13,898	13,430	13,898
Termination benefits	216	136	216	136
Less: Staff costs capitalised as part of assets	(3,467)	(1,851)	(3,467)	(1,851)
Employee benefits expense	**198,516**	185,761	**198,423**	185,681

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 2024 was £24,784k (2022/23: £21,959k), £7,473k of this figure is paid by NHSE on behalf of the Trust. Of this total, an amount of £1,532k (2022/23: £1,252k) 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

8. Retirements due to ill-health

During 2023/24 there were seven cases (2022/23: 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 £527k (2022/23: £131k). 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 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Directors remuneration - Salaries and wages	1,162	936	1,162	936
Employers pension contributions in respect of directors	110	94	110	94
Less: amounts in respect of Director Recharges Salary*	(203)	-	(203)	-
Less: amounts in respect of Director Recharges Pension*	(29)	-	(29)	-
	1,040	1,030	**1,040**	1,030
	Number	Number	**Number**	Number
The total number of directors to whom retirement benefits were accruing under:				
Defined benefit schemes	8	8	8	8

*The amounts in respect of Director Recharge Salary and Pensions relates to the share of Director costs of the Joint Board between Dorset County Hospital NHS FT and Dorset Healthcare University NHS FT which commenced during 2023.

Detailed disclosures of the remuneration and pension entitlements of each director are set out on pages 69 to 84 of the Remuneration Report.

10. Finance income

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Interest on bank accounts	938	539	910	524
Total	**938**	539	**910**	524

11. Finance expenses

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Loans from the Department of Health	97	97	97	97
Interest on lease obligations	574	456	574	456
Interest on the late payment of commercial	1	-	1	-
Total interest expense	672	553	672	553
Unwinding of discount on provisions	3	3	3	3
Total finance expenses	**675**	556	**675**	556

12. Gains/(losses) on disposals

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Gains on disposal of other property, plant and equipment	6	32	6	32
Gains on disposal of right of use assets	2	-	2	-
Losses on disposal of other property, plant and equipment	(1)	(50)	(1)	(50)
Total gains / (losses) on disposal of assets	**7**	(18)	**7**	(18)

13. Impairment of non-current assets

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
Impairment	**£000**	£000	**£000**	£000
Other	596	153	596	153
Changes in market price*	2,023	5,021	2,023	5,021
Reversal of impairments*	(594)	(168)	(594)	(168)
Total impairments	**2,025**	5,006	**2,025**	5,006

* Resulting from the revaluation of land and buildings as at 31 March 2024.

Total impairments have been charged/(credited) to the following lines in the Statement of Comprehensive Income.

	Group		Trust	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
	£000	£000	**£000**	£000
Operating expenses	2,025	5,006	2,025	5,006
Revaluation reserve	5,358	-	5,358	-
	7,383	5,006	**7,383**	5,006

14. Intangible assets

14.1 Intangible assets - 2023/24

	Group and Trust		
	Software licences	Asset under construction	Total
	£000	£000	£000
Cost or valuation at 1 April 2023	**12,936**	**6,273**	**19,209**
Additions - purchased	1,031	3,752	4,783
Reclassifications	219	(219)	-
Disposals	(501)	-	(501)
Cost or valuation at 31 March 2024	**13,685**	**9,806**	**23,491**
Amortisation at 1 April 2023	**6,885**	**-**	**6,885**
Provided in the year	764	-	764
Impairments charged to operating expenses	541	-	541
Disposals	(499)	-	(499)
Amortisation at 31 March 2024	**7,691**	**0**	**7,691**
Net book value 31 March 2024	**5,994**	**9,806**	**15,800**
Net book value total at 1 April 2023	**6,051**	**6,273**	**12,324**

14.2 Intangible assets - 2022/23

	Group and Trust		
	Software licences	Asset under construction	Total
	£000	£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**	**0**	**6,885**
Net book value 31 March 2023	**6,051**	**6,273**	**12,324**
Net book value total at 1 April 2022	**6,422**	**5,872**	**12,294**

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 2024 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 2023/24

Group	Total £000	Land £000	Buildings exc. dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000
Cost or valuation at 1 April 2023	**181,765**	6,603	104,579	5,159	17,491	34,870	12,459	604
Additions - purchased	**19,823**	-	8,598	24	7,732	2,014	1,399	56
Additions - assets purchased from cash donations/grants	**194**	-	19	-	89	86	-	-
Impairments charged to operating expenses	**(620)**	-	(620)	-	-	-	-	-
Impairments charged to revaluation reserve	**(8,138)**	-	(8,114)	(24)	-	-	-	-
Reversal of Impairments credited to operating expenses	**34**	-	34	-	-	-	-	-
Revaluations	**48**	65	(37)	20	-	-	-	-
Reclassification	**-**	-	8,271	-	(10,031)	1,509	251	-
Disposals/derecognition	**(893)**	-	-	-	-	(451)	(442)	-
Cost or valuation at 31 March 2024	**192,213**	**6,668**	**112,730**	**5,179**	**15,281**	**38,028**	**13,667**	**660**
Depreciation at 1 April 2023	**27,390**	-	-	-	12	19,763	7,377	238
Provided in the year	**8,563**	-	3,839	134	-	3,063	1,502	25
Impairments charged to operating expenses	**(98)**	-	(102)	-	-	-	4	-
Impairments charged to revaluation reserve	**(3,678)**	-	(3,597)	(81)	-	-	-	-
Reversal of Impairments credited to operating expenses	**(24)**	-	(24)	-	-	-	-	-
Revaluations	**(114)**	-	(61)	(53)	-	-	-	-
Disposals/derecognition	**(891)**	-	-	-	-	(449)	(442)	-
Depreciation at 31 March 2024	**31,148**	**-**	**55**	**-**	**12**	**22,377**	**8,441**	**263**

15.2 Property, plant and equipment, prior year 2022/23

Group	Total £000	Land £000	Buildings exc. dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £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**

15.3 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 2024								
Owned assets	**154,954**	6,668	108,381	5,179	15,169	14,227	5,224	106
Donated assets	**6,111**	-	4,294	-	100	1,424	2	291
Total at 31 March 2024	**161,065**	**6,668**	**112,675**	**5,179**	**15,269**	**15,651**	**5,226**	**397**
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**

16.1 Right of use assets, current year 2023/24

	Group and Trust				
	Total	**Property (land and buildings)**	**Plant & machinery**	**Transport equipment**	**Information technology**
Group	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation at 1 April 2023	**22,684**	20,107	1,986	200	391
Additions - lease liability	**998**	453	-	148	397
Remeasurements of the lease liability	**1,134**	1,123	-	11	-
Impairments charged to operating expenses	**(2,556)**	(2,556)	-	-	
Impairments charged to the revaluation reserve	**(967)**	(967)	-	-	
Reversal of impairments credited to operating expenses	**158**	158	-	-	
Disposals/derecognition - lease termination	**(422)**	(30)	-	-	(392)
Cost or valuation at 31 March 2024	**21,029**	**18,288**	**1,986**	**359**	**396**
Depreciation at 1 April 2023	**721**	-	252	78	391
Provided in the year - right of use asset	**1,778**	1,462	215	87	14
Impairments charged to operating expenses	**(1,000)**	(1,000)	-	-	-
Impairments charged to the revaluation reserve	**(69)**	(69)	-	-	-
Reversal of impairments credited to operating expenses	**(378)**	(378)	-	-	-
Disposals/derecognition - lease termination	**(407)**	(15)	-	-	(392)
Depreciation at 31 March 2024	**645**	**-**	**467**	**165**	**13**
Net book value at 31 March 2024	**20,384**	**18,288**	**1,519**	**194**	**383**

16.2 Right of use assets, prior year 2022/23

	Group and Trust				
	Total	**Property (land and buildings)**	**Plant & machinery**	**Transport equipment**	**Information technology**
Group	**£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 2023/24	Group			
	Drugs	**Consumables**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 April	1,442	1,914	169	**3,525**
Additions	25,416	9,342	666	**35,424**
Inventories recognised as an expense in the period	(25,384)	(9,096)	(664)	**(35,144)**
Write-down of inventories recognised as an expense	(27)	-	-	**(27)**
Balance at 31 March	**1,447**	**2,160**	**171**	**3,778**

Current year 2023/24	Trust			
	Drugs	**Consumables**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 April	1,280	1,914	169	**3,363**
Additions	20,388	9,342	666	**30,396**
Inventories recognised as an expense in the period	(20,428)	(9,096)	(664)	**(30,188)**
Write-down of inventories recognised as an expense	(27)	-	-	**(27)**
Balance at 31 March	**1,213**	**2,160**	**171**	**3,544**

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 2024	31 March 2023	**31 March 2024**	31 March 2023
Current	**£000**	£000	**£000**	£000
Contract receivables (IFRS 15): invoiced	2,369	1,062	2,369	1,062
Contract receivables (IFRS 15): not yet invoiced/non-invoiced	13,437	9,215	13,495	9,414
Allowance for impaired contract receivables	(80)	(80)	(80)	(80)
Prepayments	3,727	2,223	3,724	2,221
Interest receivable	69	98	67	95
PDC dividend receivable	73	-	73	-
VAT receivables	741	991	667	885
Clinician pension tax provision	8	6	8	6
Other receivables	860	526	860	526
Total	**21,204**	14,041	**21,183**	14,129
Non-current				
Prepayments	209	321	209	321
Contract receivables (IFRS 15): not yet invoiced/non-invoiced	329	317	329	317
Clinician pension tax provision	146	171	146	171
Total	**684**	809	**684**	809
Grand Total	**21,888**	14,850	**21,867**	14,938

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 Allowance for credit losses (doubtful debts)

Contract receivables and contract assets	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Balance at 1 April	80	79	80	79
New allowances arising	36	37	36	37
Reversals of allowances	(36)	(36)	(36)	(36)
Balance at 31 March	**80**	80	**80**	80

19. Cash and cash equivalents

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Balance at 1 April	18,914	25,951	18,302	25,827
Net change in year	(10,109)	(7,037)	(9,693)	(7,525)
Balance at 31 March	**8,805**	18,914	**8,609**	18,302
Made up of				
Commercial banks and cash in hand	7	7	7	7
Cash with Government Banking Service	8,798	18,907	8,602	18,295
Cash and cash equivalents	**8,805**	18,914	**8,609**	18,302

20. Trade and other payables

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Current	**£000**	£000	**£000**	£000
Trade payables	14,660	8,613	14,773	8,371
Capital payables	6,613	6,416	6,613	6,416
Accruals	4,293	13,225	4,293	13,225
Other taxes payable	4,433	3,478	4,395	3,448
PDC dividend payable	-	34	-	34
Pension contributions payable	2,540	2,082	2,540	2,082
Total	**32,539**	33,848	**32,614**	33,576

21. Borrowings

	Group Current		Trust Current	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Loans from Department of Health and Social Care	4	4	4	4
Lease liabilities	1,749	1,557	1,749	1,557
Total	**1,753**	1,561	**1,753**	1,561

	Non-current		Non-current	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Loans from Department of Health and Social Care	4,600	4,600	4,600	4,600
Lease liabilities	25,671	25,408	25,671	25,408
Total	**30,271**	30,008	**30,271**	30,008

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 2023/24

	Total	**DHSC loans**	**Lease liabilities**
Group and Trust	**£000**	**£000**	**£000**
At 1 April 2023	**31,569**	4,604	26,965
Cash movements:			
Financing cash flows - principle	**(1,656)**	-	(1,656)
Financing cash flows - interest	**(675)**	(97)	(578)
Non-cash movements:			
Additions	**998**	-	998
Lease liability remeasurements	**1,134**	-	1,134
Interest charge arising in year	**671**	97	574
Early termination	**(17)**	-	(17)
At 31 March 2024	**32,024**	4,604	27,420

21.2 Reconciliation of liabilities prior year 2022/23

	Total	**DHSC loans**	**Lease liabilities**
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

22. Provisions

	Group and Trust Current	
	31 March 2024	31 March 2023
	£000	£000
Pensions early departure costs	14	17
Pensions injury benefits	14	13
Other legal claims	-	2
Clinician pension tax reimbursement	8	6
Total	**36**	38

	Non-current	
	31 March 2024	31 March 2023
	£000	£000
Pensions early departure costs	24	35
Pensions injury benefits	71	78
Clinician pension tax reimbursement	146	171
Total	**241**	284

22.1 Provisions movement

Group and Trust	**Total** **£000**	**Pensions early departure costs** **£000**	**Pensions Injury benefits** **£000**	**Legal and other claims** **£000**	**Clinician pension tax** **£000**
At 1 April 2023	**322**	52	91	2	177
Change in discount rate	**(37)**	(1)	(3)	-	(33)
Arising during the year	**22**	12	9	-	1
Utilised during the year - accruals	**(10)**	(6)	(4)	-	-
Utilised during the year - cash	**(31)**	(20)	(10)	-	(1)
Reversed unused	**(2)**	-	-	(2)	-
Unwinding of discount	**13**	1	2	-	10
At 31 March 2024	**277**	38	85	-	154
Expected timing of cash flows:					
Within one year	**36**	14	14	-	8
Between one and five years	**86**	24	39	-	23
After 5 years	**155**	-	32	-	123
Total	**277**	38	85	-	154

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

Group and Trust	**31 March 2024** **£000**	31 March 2023 £000
Amount included in provisions of NHS Resolution in respect of clinical negligence liabilities of the Trust	82,256	99,403

23. Other liabilities

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Deferred income - goods and services	2,007	4,545	2,007	4,545
Total	**2,007**	4,545	**2,007**	4,545

24. Lease Liabilities

24.1 Maturity analysis

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Undiscounted future lease payments payable in :		
not later than one year	2,398	2,237
later than one year and not later than five years	7,867	7,339
later than five years	25,825	26,864
Total gross future payments	36,090	36,440
Finance charges allocated to future periods	(8,670)	(9,475)
Net lease liabilities	**27,420**	**26,965**
of which :		
Currenly not yet invoiced/not relating to current year	1,749	1,557
Non-Current	25,671	25,408
	27,420	**26,965**

24.2 Movement in the carrying value current year 2023/24

	Group and Trust
	Total
	£000
Carrying value at 1 April 2023	**26,965**
Cash movements:	
Financing cash flows - principle	(1,656)
Financing cash flows - interest	(578)
Non-cash movements:	
Lease additions	998
Lease liability remeasurement	1,134
Interest charge arising in year	574
Termination of lease	(17)
Carrying value at 31 March 2024	**27,420**

24.3 Movement in the carrying value prior year 2022/23

	Group and Trust
	Total
	£000
Carrying value at 1 April 2022	**3,977**
Cash movements:	
Finance cash flows - principle	(967)
Finance cash flows - interest	(416)
Non-cash movements:	
Impact of implementing IFRS on 1 April 2022	7,039
Lease additions	16,819
Lease liability remeasurement	57
Interest charge arising in year	456
Carrying value at 31 March 2023	**26,965**

24.4 Reconciliation of the carry value of lease liabilities current year 2023/24

	Group and Trust Total £000
Carrying value at 1 April 2023	**26,965**
Lease additions	998
Lease liability remeasurement	1,134
Interest charge arising in year	574
Termination of lease	(17)
Lease payments (cash outflows)	(2,234)
Carrying value at 31 March 2024	**27,420**

24.5 Reconciliation of the carry value of lease liabilities prior year 2022/23

	Group and Trust Total £000
Carrying value at 1 April 2022	**3,977**
Impact of implementing IFRS as at 1 April 2022	7,039
Lease additions	16,819
Lease liability remeasurement	57
Interest charge arising in year	456
Lease payments (cash outflows)	(1,383)
Carrying value at 31 March 2023	**26,965**

Lease liabilities are included within borrowings in the statements of financial position. A breakdown of borrowings is disclosed in note 21.

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on and 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.

25. Contingencies

Contingent liabilities	**31 March 2024**	31 March 2023
Group and Trust	**£000**	£000
Pensions injury benefits	11	9
Pensions early departures	2	2
Total	13	11

26. Financial instruments

26.1 Financial assets

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Loans and receivables	**£000**	£000	**£000**	£000
Trade and other receivables with NHS and DH bodies	15,577	10,160	15,577	10,160
Trade and other receivables with other bodies	1,553	1,149	1,609	1,345
Cash and cash equivalents at bank and in hand	8,805	18,914	8,609	18,302
Total at 31 March	**25,935**	30,223	**25,795**	29,807

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 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Borrowing excluding finance lease and PFI contract	4,604	4,604	4,604	4,604
Obligations under finance lease	27,420	26,965	27,420	26,965
Trade and other payables with NHS and DH bodies	7,614	1,821	7,614	1,821
Trade and other payables with other bodies	17,320	24,399	17,059	24,157
Provisions under contract	277	322	277	322
Total at 31 March	**57,235**	58,111	**56,974**	57,869

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 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Finance leases				
In one year or less	2,398	2,237	2,398	2,337
In more than one year but not more than five years	7,867	7,339	7,867	7,339
In more than five years	25,825	26,864	25,825	26,864
	36,090	36,440	**36,090**	36,540
DHSC loans				
In one year or less	97	97	97	97
In more than one year but not more than five years	4,697	4,697	4,697	4,697
	4,794	4,794	**4,794**	4,794
Trade & Payables: DHSC group bodies				
In one year or less	7,614	1,821	7,614	1,821
	7,614	1,821	**7,614**	1,821
Trade & Payables: other bodies				
In one year or less	17,320	24,399	17,059	24,157
	17,320	24,399	**17,059**	24,157
Provisions				
In one year or less	36	39	36	39
In more than one year but not more than five years	86	106	86	106
In more than five years	155	189	155	189
	277	334	**277**	334
Total				
In one year or less	27,465	28,593	27,204	28,451
In more than one year but not more than five years	12,650	12,142	12,650	12,142
In more than five years	25,980	27,053	25,980	27,053
	66,095	67,788	**65,834**	67,646

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 £938k (at an average rate of approximately 4.92%) during 2023/24. An increase in interest rates of 0.5% would increase interest earned by approximately £97k.

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 with revenue support also available under an agreed borrowing limit. 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 £2.3m in the current financial year and has a cash balance of £8.8m. 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 2024 £000	Expenditure in year to 31 March 2024 £000	Receivables at 31 March 2024 £000	Payables at 31 March 2024 £000
Department of Health and Social Care	-	-	-	4,604
Dorset Healthcare University NHS Foundation Trust	4,967	6,425	1,421	6,250
HM Revenue and Customs - Tax & NI	-	16,400	-	4,433
NHS Blood and Transplant	3	1,010	-	5
NHS Dorset ICB	222,450	336	10,415	191
NHS England - Central Specialised Commissioning Hub	4,324	-	1,106	-
NHS England - Core	12,198	154	182	88
South West Regional Office	32,889	-	724	-
NHS Somerset ICB	2,792	-	186	-
NHS Resolution	-	6,326	-	-
NHS Pension Scheme	-	24,723	-	2,530
University Hospital Southampton NHS Foundation Trust	853	351	175	153
University Hospitals Dorset NHS Foundation Trust	1,433	2,561	333	891
Dorset Council	1,964	565	76	168
DCH Subco Ltd	69	5,254	58	445

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 2024 £000**	31 March 2023 £000
Contributions from the Charity to non-current assets	194	154
Contributions from the Charity to expenditure	86	16

29. Third Party Assets

The Trust did not hold cash and cash equivalents which relate to monies held on behalf of patients (2022/23 £nil).

30. Losses and special payments

Group and Trust	Number of cases		Total value of cases	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	Number	Number	**£'000**	£'000
Losses;				
Bad debts and claims abandoned in relation to:				
other	**-**	2	**-**	2
Damage to buildings and property due to:				
stores losses	**1**	1	**27**	8
other	**7**	**-**	**1**	-
Special Payments;				
Ex-gratia payments in respect of:				
loss of personal effects	**14**	20	**5**	7
other	**-**	2	**-**	-
	22	25	**33**	17

31. Limitation on auditor's liability

The limitation on the Trust's auditor's liability is £1.0m (2022/23: £1.0m).

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 6 – Operating expenses under heading Purchase of healthcare from NHS and DHSC bodies. The Trust contributed £219k in 2023/24 (£210k 2022/23). 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 2024	Year ended 31 March 2023
Funding	**£000**	£000
BCP Council	1,562	1,230
Dorset Council	1,239	1,077
Dorset ICB	5,646	5,414
Dorset CCG	-	307
Partner Contributions (excluding management costs)	8,447	8,028
Risk Share: Local Authorities	336	-
Risk Share: NHS Dorset	670	-
Section 256	500	-
NHS Discharge Funding (Unpooled)		
BCP Council	-	500
Dorset Council	-	628
Dorset ICB	-	201
Total Funding	**9,953**	9,357
Expenditure		
Integrated Community Equipment Store		
Actual Spend to March	(9,953)	(9,357)
Total Expenditure	**(9,953)**	(9,357)
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 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
not later than 1 year	4,741	3,393	4,741	3,393
after 1 year and not later than 5 years	3,440	2,232	3,440	2,232
paid thereafter	1,293	174	1,293	174
Total	**9,474**	5,799	**9,474**	5,799

34. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements comprise:

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Property, plant and equipment	727	734	727	734
Intangible assets	84	3	84	3
Total	**811**	737	**811**	737