



Brighton and Sussex University Hospitals NHS Trust

Annual Report and Accounts

2020/21

Contents

PERFORMANCE REPORT	3
ACCOUNTABILITY REPORT	42
Statement of the Chief Executive’s Responsibilities as the Accountable Officer of the Trust.....	57
Statement of Directors’ Responsibilities in Respect of the Accounts	58
Annual Governance Statement	59
REMUNERATION AND STAFF REPORT.....	76
FINANCIAL STATEMENTS	92
Audit Certificate and Report 2020/21.....	97
ANNUAL ACCOUNTS	

1 PERFORMANCE REPORT

The purpose of this section of the Annual Report is to provide a summary of the purpose and activities of Brighton and Sussex University Hospitals NHS Trust (BSUH), the Trust's priorities and objectives for 2020/21, the key risks to achieving these objectives and how we have performed in relation to these during the year.

1.1 Welcome from Chief Executive and Chair

For all of us, 2020/21 has been a year like no other. The far-reaching impacts of the pandemic have spread like the virus itself, affecting almost every aspect of our personal and professional lives.

The coronavirus crisis has been testing, tiring and at times traumatic, particularly for the thousands of people working in our hospitals.

Covid-19 is a vicious illness. Struggling to breathe is a horrific symptom. More than 20% people admitted to hospital with the disease die.

The tragedy of their loss is particularly difficult for families who cannot spend as much time as they would wish with their loved one because the virus is so contagious.

Staff too must contend with the trauma of such high mortality and bear the burden of being the patient's only contact and comfort as their symptoms worsen.

Our teams have cared for the most severely unwell patients from behind an impersonal veil of protective equipment that masks smiles, makes every task more difficult and communication harder.

At the same time, around 10% of our workforce contracted Covid-19. Many continue to experience debilitating symptoms associated with Long Covid and the toll on mental health and wellbeing has proved high.

Despite this, the dedication shown by our staff throughout the year has been truly exceptional.

Their response to the crisis has been incredible and we are extraordinarily proud of everything they have achieved.

We must remember, pandemic pressures at work have not been experienced by staff in isolation. They are compounded by legitimate concerns we have all carried for our family and friends this past year.

The virus separated us from our loved ones, support networks and all the social activities that help boost our wellbeing.

COVID brought us much closer together

While Covid forced us apart as never before, professionally it has also brought us much closer together.

Indeed, as we draw these reflections, we are writing as chief executive and chairman not of Brighton and Sussex University Hospitals (BSUH) but University Hospitals Sussex NHS Foundation Trust, created on 1 April 2021.

It was the Covid crisis, and the closer collaboration and team-working it necessitated, that ultimately convinced us to pursue a merger with Western Sussex Hospitals NHS Foundation Trust (WSHFT).

After nearly four years of shared leadership, our joint response to the emergence of a highly infectious novel coronavirus made clear the benefits of drawing on the best of both Trusts.

Colleagues, teams and departments from BSUH and WSHFT rallied together to expand our wealth of expertise and do battle with the virus

The crisis showcased what our staff excel at; an unwavering commitment to patient care, resilience, adaptability, teamwork and, in particular, innovation.

In just a few short weeks, the layout of our hospitals was transformed into Covid red and green areas as we introduced stringent new infection control measures.

Every service reassessed the way patients accessed care and adapted their working practices as we learned more and more about the disease and its transmission.

We rapidly developed new procurement and supply functions, developed workforce hubs to redeploy staff and introduced virtual consultations for hundreds of thousands of patients.

All this was achieved in a matter of weeks as wave one struck, peaking in mid-April 2020.

A set of fresh challenges

These important measures to keep our patients and staff safe need to stay in place as long as Covid-19 is circulating in our communities.

This, in turn, presents its own set of fresh challenges. In response to a national directive, all non-urgent hospital activity was paused during wave one, causing waiting lists to increase dramatically.

As the summer months returned to us a sense of normality, our greatest concern was for the thousands of people whose care had been disrupted in the preceding months.

The scale of the challenge was, and continues to be, unprecedented.

Long waiting lists are made worse by infection prevention protocols that reduce how many patients we can see at the very time we need to expand capacity.

As the country ate out to help out in August 2020, we continued to draw on the expertise of our people to deliver care in new ways to ensure we could see as many people as safely as possible.

More than 162,000 virtual appointments were held for outpatients, therapies and fracture clinics and 'virtual waiting rooms' were set up to reduce the need for patients to attend hospital in person.

By October, thanks to the incredible resilience and ingenuity of our staff we were back to providing more than 90% of our pre-Covid hospital activity.

The threat of winter loomed large, however, and concerns about a second wave were soon realised as a new variant, first detected in Kent, began to ravage communities in Sussex.

The second wave

Hospital admissions climbed sharply and in January 2021 they peaked at more than double what we had experienced in the first wave.

As the country locked down for a third time and Covid cases exploded, the teamwork and ingenuity of our staff brought us back from the brink.

We expanded critical care departments and converted dozens of wards into new isolation areas for infectious patients.

Hundreds of staff worked additional shifts or were redeployed into new areas and departments to assist wherever the need was greatest.

For example, colleagues from paediatrics, outpatients and therapies supported staff in critical care, A&E and inpatient wards.

We also saw colleagues from all over the organisation helping set up and run our vaccination hubs and some staff even returning to practice from retirement to assist in the Trust's response.

The hubs were incredible, providing a much-needed dose of optimism at an incredibly bleak time.

Tragically, many more patients lost their lives during the second wave - again, in very difficult circumstances for them, their families and our staff.

The cruelty of Covid will be its legacy. But so too will be the disruption and delay the pandemic has caused to the care of hundreds of thousands of people in need of non-Covid hospital services.

While urgent treatment, trauma and cancer care continued, many so called 'less urgent' procedures were postponed – but, for all those waiting, we know their health remains a most urgent concern.

Addressing their needs is now our first priority. The challenge, however, is immense. For every hospital in the country, waiting lists have never been longer and demand continues to rise.

Our staff are exhausted and emotionally drained. But the creation of our new organisation gives us fresh impetus to put our patients first and innovate in order to meet the challenge head on.

We are drawing on the best from both legacy Trusts and bringing together our clinical teams to problem-test and devise fresh solutions.

Their ingenuity was key to our Covid response and it remains pivotal to our recovery. Our 20,000 staff are our greatest asset.

We are confident that their exemplary commitment to clinical excellence showcased throughout 2020/21 will ensure University Hospitals Sussex recovers services for patients as swiftly as possible.



Dame Marianne Griffiths
Chief Executive
Date 18 June 2021



Alan McCarthy MBE DL
Chair
Date 18 June 2021

1.2 UHSussex: Becoming One Trust

In April 2021 after a long period of collaborative working, Brighton and Sussex University Hospitals NHS Trust (BSUH) merged with Western Sussex Hospitals NHS Foundation Trust (WSHFT) to form University Hospitals Sussex NHS Foundation Trust (UHSussex).

The Trust is one of the largest in the country, providing hospital services from five main locations including Brighton, Haywards Heath, Worthing, Shoreham and Chichester. University Hospitals Sussex employs around 20,000 staff, caring for 1.8 million people in Sussex, with a budget of £1.2 billion.

1.3 About the Trust

Prior to our merger with Western Sussex Hospitals NHS Foundation Trust on 1 April 2021, Brighton and Sussex University Hospitals NHS Trust (BSUH) was an acute teaching hospital Trust working across four hospitals on two main sites, as well as providing services from a number of satellite sites.

- Royal Sussex County Hospital, Brighton (RSCH)
- Princess Royal Hospital, Haywards Heath (PRH)
- Sussex Eye Hospital, Brighton
- Royal Alexandra Children's Hospital, Brighton

We provided District General Hospital services to our local populations in and around Brighton and Hove, Mid Sussex and the western part of East Sussex and more specialised and tertiary services for patients from across Sussex and the south east of England.

The 3Ts hospital redevelopment project is currently underway at Brighton which will provide state-of-the-art accommodation for more than 40 wards and departments upon completion. The three-stage project will improve patient experience across its services and will support the Trust's roles as a district general hospital, specialist tertiary centre, teaching hub and major trauma centre.

The Royal Sussex County Hospital is our centre for emergency and tertiary care, providing specialist and tertiary services include neurosciences, arterial vascular surgery, neonatal, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine.

The Princess Royal Hospital has a 24/7 Emergency Department for its local population and is also our centre for elective surgery.

The Trust also provides services from satellite sites across Sussex, including Brighton General Hospital, Hove Polyclinic, Lewes Victoria Hospital, the Park Centre for Breast Care and a renal dialysis satellite services in Bexhill, East Sussex.

Central to our ambition is our role as an academic centre, provider of high-quality teaching, and a host hospital for cutting edge research and innovation. We work in partnership with Brighton and Sussex Medical School, Health Education England,

Kent, Surrey and Sussex Postgraduate Deanery and the Universities of Brighton and Sussex.

BSUH - a year in numbers

- 8,873 Substantive staff members
- 1,429 active bank staff
- Around 412 volunteers
- 514,194 Outpatient appointments
- 162,382 Virtual appointments
- 98,977 Inpatients treated
- 153,725 A&E attendances
- 17,624 Children's A&E attendances
- 4,769 Babies delivered

COVID-19

2020-2021 was a year like no other. The latter part of the 2019 -20 financial year was spent preparing for the pandemic which required our hospitals to rapidly reconfigure its provision in order to respond to the crisis.

Our preparation for Covid-19 started in January before the first positive case was announced on the 31st January 2020.

We admitted our first Covid patient on 9 March 2020, just four days after the first death was announced in the UK. In response to growing community cases and increasing numbers of hospitalised patients, BSUH rapidly:

- stopped all non-emergency elective surgery
- followed national guidance to discharge patients when ready
- increased virtual appointments to keep people at home
- increased critical care capacity after advice to “double and then double again”
- secure 24/7 mental health provision to keep people out of A&E
- divided our hospitals into “red” and “green” areas to treat Covid and non-Covid patients separately
- redeployed staff from halted services to support where needed and created the workforce hub to find and fill gaps.

Elective surgeries were paused on 20th March 2020 as staff redeployed to Covid areas and made room for the surge in Covid patients.

Electives were resumed over the summer period but paused again from 12th January 2021 to prepare for the second wave.

Overall, 17,960 elective and non-urgent operations were carried out over the course of the year compared to 30,232 completed in 2019-20. Despite a much higher surge in Covid patients during the second wave, our teams maintain more elective care during this period.

During December 2020 and January 2021 the number of patients we were treating with Covid-19 sharply increased to more than double that of the wave 1 peak. The Wave 1 peak was on the 8th April 2021 with 112 Covid patients in our hospitals. The Wave 2 peak was on 15th January 2021 with 256 Covid patients (including 45 in critical care).

COVID in numbers 2020- 21

- 2,014 COVID patients treated
- 233 COVID patients cared for in intensive and critical care units
- 1,543 COVID patients discharged/recovered (76.6%)
- 440 COVID patients sadly died (21.8%)
- 17,960 elective operations were performed in 2020-21 despite high COVID numbers
- 162,382 virtual appointments held

Vaccination

On 8 December, 2020, The Royal Sussex County Hospital was selected as one of the first 50 Hospital Hubs in the country, administering the Pfizer vaccine to outpatients aged over 80 and colleagues at highest risk of catching Covid or developing complications from the virus.

The event represented a turning point in the country's pandemic response and journalists from Sky captured the event for national broadcast.

As with the pandemic response, the set-up of the hospital hub brought together colleagues many different departments. Our teams created new clinical spaces, set up new IT systems, established new booking processes and developed new patient pathways. The team worked at speed to provide a safe, sustainable vaccination service, the model for which was adopted by partner organisations across the region.

Colleagues and patients vaccinated on day one spoke of their relief to be gaining a level of protection from the virus and the positive step forward the vaccination programme represented.

Four weeks later, the Princess Royal Hospital in Haywards Heath was among the first hospital hubs in the country to start administering the Oxford / AstraZeneca vaccine.

Since we first opened the vaccination hub, we have administered 41,398* doses to healthcare workers and patients across Sussex from vaccination hubs in Brighton and Haywards Heath.

- First doses administered 29,503*
- Second doses administered 11,895*
- Total vaccinations administered 41398*

*Figures correct up to 31 March 2021.

Merger – the creation of University Hospitals Sussex NHS Foundation Trust

Western Sussex Hospitals NHS Foundation Trust (WSHFT) and Brighton and Sussex University Hospitals NHS Trust (BSUH) have been working together for four years under a joint management contract that expired on 31 March 2021.

During this time, BSUH became the fastest improving acute hospital Trust in England, emerging from special measures and earning a Care Quality Commission rating of *Good* overall and *Outstanding* for caring. WSHFT meanwhile maintained its own *Outstanding* status and also became the first non-specialist acute Trust to achieve *Outstanding* ratings in all key inspection areas.

As the end of the joint management contract approached and having worked increasingly closely together to respond to the global Covid-19 pandemic, the Trust board explored options for an ongoing relationship. We looked at developing a group structure, in which the two Trusts would operate independently alongside each other while remaining under a single leadership.

However, as a result of regulatory and financial changes within the NHS and the recent successful joint-working between the Trusts, it became clear the best interests of patients and staff would be better served by pursuing a full merger.

We developed a strategic outline case, which was approved by NHSEI in September 2020. Six months of intense planning ensued as we followed a rigorous process to assess the case for change to enable us to complete the formal merger on 1 April 2021 as the joint management contract expired.

Benefits

The case for the merger was strong. We identified a broad range of benefits that would advantage patients, staff and communities across Sussex, including:

- Building on our Outstanding reputation and delivering excellent care to the communities in Sussex
- Strengthening leadership, governance and structures, enabling us to move forward quickly and keep improving care for patients
- Creating greater 'economies of scale' as a larger and more influential NHS Trust
- Increase our potential to use the same processes and equipment to support the smoother running of services
- Creating more career opportunities across our hospitals for our people
- Continuing our closer collaboration and sharing of resources as we restore services and manage our ongoing response to the COVID pandemic
- Improving continuity of care and better access to services
- Increasing support for services under pressure due to national challenges, such as increasing demand, workforce availability and financial pressures.

The new Trust would employ nearly 20,000 people across five main hospital sites in Sussex, with an operating budget of more than £1 billion. It would run seven hospitals in Chichester, Worthing, Shoreham, Haywards Health and Brighton and Hove, as well as numerous community and satellite services.

It would be responsible for all district general acute services for patients across Brighton and Hove, West Sussex, Mid Sussex and parts of East Sussex. It would also provide specialised and tertiary services across Sussex and parts of the South East, including neuroscience, arterial vascular surgery, neonatology, specialised paediatric, cardiac, cancer, renal, infectious diseases and HIV medicine services.

The driving force behind our plans was our ambition to continually improve the care we provide.

Our clinical boundaries

Against a backdrop of our pandemic response, we undertook to develop the full business case for merger while protecting frontline staff and services. We committed to not making any immediate changes to our clinical services as a result of the merger. We also published a set of clinical boundaries that would guarantee security of services including continuing to invest in:

- Access to emergency medical care and A&E services 24 hours a day, seven days a week on the Princess Royal, Royal Sussex County, St Richard's and Worthing Hospital sites
- Maternity services at the Princess Royal, Royal Sussex County, St Richard's and Worthing Hospital sites
- A teaching hospital in conjunction with Brighton and Sussex medical school
- Outpatient, day case and rapid diagnostic services across the Trust including on our non-acute sites
- Tertiary service provision as part of a network of tertiary care providers across the regional and nationally
- Trauma services as part of a Trauma Network that includes a Major Trauma Centre on the Royal Sussex County Hospital site along with all the supporting services this requires
- A wide range of cancer services across Sussex, including the Sussex Cancer Centre on the Royal Sussex County Hospital site
- A specialist centre for paediatric care, combined with a neonatal intensive care service and paediatric cancer services from the Royal Alexandra Children's Hospital
- Hyper Acute Stroke Units and other stroke services as part of a Sussex-wide stroke provision
- Specialist renal care, including dialysis and other services for East and West Sussex
- The system-wide benefits of the 3Ts development in line with Sussex Integrated Care System Long Term Plan.

Engagement and feedback

With NHSEI's approval of our outline business case, we sought to gather the views of staff, patients, public and partners, launching an online survey in October 2020. The survey asked for thoughts on the vision and values of the proposed Trust as well as hopes and fears and opinions on a selection of name options. The survey attracted responses from more than 3,000 employees across WSHFT and BSUH as well as more than 700 responses from patients, partners and public.

The responses were highly consistent and led to the identification of six new Trust values: compassion, communication, teamwork, respect, professionalism and inclusion.

The survey feedback also helped us define a series of vision statements in line with our five strategic themes:

- Sustainability - Living within our means providing high quality services through optimising the use of our resources.
- People - To be the employer of choice and have the most highly engaged staff within the NHS.
- Patient - Providing outstanding, compassionate care for our patients and their families, every time.
- Quality - Excellent outcomes ensuring no patient comes to harm and no patient dies who should not have.
- Systems and partnerships - Delivering timely, appropriate access to acute care as part of a wider integrated care system.

There was also a great deal of consistency amongst the responses to the concerns and benefits questions, with staff identifying key benefits as: improved continuity of care, better career development opportunities and strong, consistent leadership. They raised concerns around job security, terms and conditions and the size of the Trust.

Similarly, the public hoped the merger would lead to better care, better access and reduced travel, but were concerned about the bigger geography, reduction in services and the implications for staffing.

Finally, the survey asked respondents to select their preferred option for the name of the new Trust. Due to the importance of our partnership relationships and based on survey and other feedback, the Trusts agreed that the new, merged Trust would be called University Hospitals Sussex NHS Foundation Trust.

Developing our full business case and clinical strategy

Following the survey, our dedicated merger team worked to develop our full business case, while we continued to work with teams to launch our clinical strategy development programme.

Our new five year clinical strategy will identify where we can make the best improvements for our patients and develop new services that ensure fewer people in Sussex have to travel elsewhere for high quality hospital care. We will work closely with the rest of the Sussex Health and Care Partnership to realise the strategy.

This clinical strategy work also cements our commitment to continuing to invest in all the services we currently provide, including emergency, specialist, tertiary and trauma care. We are committed to developing our vibrant local hospitals and maintaining the services we know local people treasure, such as A&E and maternity care. By coming together as one Trust, we will have the experience, expertise, funds and influence to safeguard and improve hospitals services in Sussex.

Approval

On 9 March 2021, NHSEI issued its risk rating for the merger, with an overall rating of Amber/ Green and describing the strategic reasons for the merger as both ‘clear’ and ‘strongly supported’.

On 18 March 2021, the Trust boards and the WSHFT Council of Governors (CoG) met to review the business case and vote on the proposal to submit the official application to merge. Both the boards and the CoG approved the proposal to apply to merge and the application was submitted to NHSEI on 19 March 2021.

On 22 March 2021, we received a letter from the Secretary of State for Health and Social Care providing support for the proposal to merge.

On 24 March 2021 we received approval from NHSEI to proceed with the merger.

On 1 April 2021 our new Trust, University Hospitals Sussex NHS Foundation Trust, was formed.

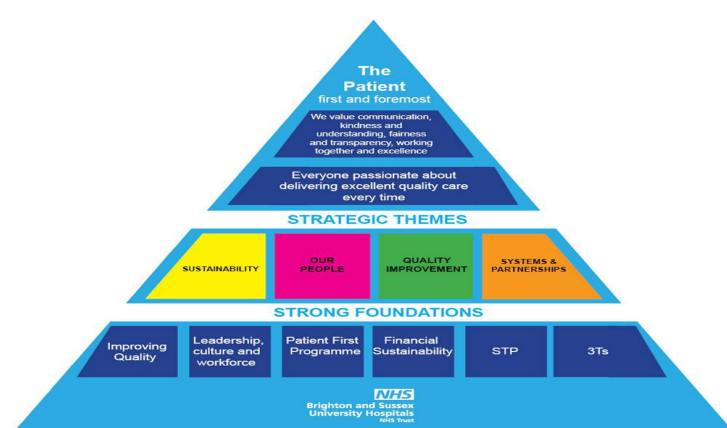
1.4 Performance Analysis

1.4.1 The Patient First approach

In 2017/18 a long-term approach to transforming hospital services for the better, described as Patient First, was introduced to BSUH. Whether it’s small steps or complex change, Patient First is a continuous process of improvement led by front-line staff empowered to initiate and lead positive change.

Our people are given the training, the tools and the freedom to work out where the opportunities are; and the skills and support to make change happen and to make it sustainable.

The Patient First triangle was created to explain the different layers of Patient First.



The patient is at the apex of the triangle to make it explicit that everything we do should contribute to improving the experience and outcomes of the people in our care. This is the True North of the organisation – the one constant to which we must always set out direction of travel in order to achieve our vision.

Patient First has four **strategic themes** that guide the initiatives we put in place across the hospitals:

- Our people
- Quality improvement
- Sustainability
- Systems and partnerships

Each of the strategic themes has a number of **breakthrough objectives** that will take us furthest and fastest towards our overall True North. This means that:

- Our True North focus around the PATIENT is on patient satisfaction
- Around OUR PEOPLE, it's about improving staff engagement
- In QUALITY IMPROVEMENT, it's reducing mortality and avoiding harm
- For SUSTAINABILITY, it's on managing our budget
- And for SYSTEMS AND PARTNERSHIPS, it's improving patient flow.

True North Domain	Metric	Objective	Executive Lead
Patient	Friends and Family Test	Family & Friends Recommend Rate >96%	Carolyn Morrice (Chief Nurse)
Sustainability	Budget Management	Breakeven	Karen Geoghegan (Chief Financial Officer)
People	Staff engagement score	Top 20% in the country	Denise Farmer (Chief Workforce Officer)
Quality	Avoiding harm	99% harm-free care on Patient Safety Thermometer	Carolyn Morrice (Chief Nurse)
Quality	Preventable mortality	HSMR among best 20% in the country	George Findlay (Chief Medical Officer)
Systems & Partnerships	Patient flow	A&E waits under four hours for 95% of attenders	Pete Landstrom (Chief Delivery Officer)

The Patient First triangle also illustrates the **strong foundations** on which the programme must be built and for BSUH these are improving quality, underpinned by financial sustainability, the best leadership, culture and workforce. In addition, we need to play our part in local Sustainability and Transformation Programme (STP) – a programme of work across Sussex and East Surrey to develop shared proposals, across all health and care organisations, to improve services. And ensure we progress our 3Ts redevelopment of the Royal Sussex County Hospital site.

The delivery of the Patient First programme is supported by **five pillars**, which support the strategic themes and will help us achieve our objectives:

1. **Kaizen office** – Kaizen is a concept that, loosely translated, means continuous improvement. It is about getting front-line staff to approach problem-solving and root cause analysis from a different, ceaselessly inquisitive perspective.
2. **Patient First Improvement Systems (PFIS)** – the PFIS is the Lean management programme designed to develop our people's ability to solve problems and improve performance. During the programme, teams receive specialist training to introduce tools and techniques that will help eliminate waste from everyday processes and begin to improve them on a continuing basis. Whilst Covid-19 had an impact on our ability to provide PFIS training we are pleased that wards and divisions applied PFIS tools and techniques as they made rapid changes and tested their efficacy ensuring high quality care and safe practices were implemented. 2021/22 will see the relaunch of our PFIS team training
3. **Capability** – The Patient First Capability Programme provides the skills and training necessary to help teams understand and use the principles and tools available through Patient First.
4. **Improvement projects** – our improvement approach involves using “Lean” principles. Lean is a systematic method of illuminating waste from a process. In a hospital setting, examples of waste could include moving patients from department to department or ward to ward unnecessarily, holding more supplies than we actually need, or delays in discharge or diagnostic tests.
5. **Strategy deployment** – where theory becomes reality. Strategy deployment is the process through which we identify and review the True North objectives for each strategic theme and cascade these throughout the organisation. It provides a framework to enable staff at all levels to be clear about our priorities and align their improvement efforts to them, enabling us to track our

progress, and embed an improvement, coaching, and delivery culture throughout the organisation.

1.4.2 Trust True North Objectives

The Patient – True North objective: an overall score of over 96% for patient satisfactions when measured through the Friends and Family Test.

Our long-term objective is to achieve an overall Friends and Family Test (FFT) score in excess of 96%. In the medium term, in working to achieve this goal, we want to increase the number of occasions where patients report a positive experience at the time of their discharge.

FFT data submission was suspended from March 2020 due to the Covid-19 pandemic, on instruction by NHS England. Data submission resumed from December 2020 for all acute Trusts and the first three months' data will be published in 2021.

In March 2021 the FFT recommend score for Brighton and Princess Royal Hospitals Emergency Departments was 88.3%. The inpatient score was 92.1%. Of note, the Trust's response rates are strong when judged against the national average and the Emergency Department response rate is higher than the national average in 2019/20.

Our People – True North objective: to be in the top 20% in the country for staff engagement.

Improving staff engagement is the strategic objective for the People domain of Patient First and our long-term objective is to achieve a staff engagement score within the top 20% in the country. In the medium term, we want to increase the number of staff who would recommend the Trust as a place to work.

2020/21 has required different approaches to staff engagement to be adopted. However, the introduction and extensive use of MS Teams across the organisation provided an opportunity to engage with staff more widely. Weekly Executive-led briefings were held throughout the year to update staff on the impact of the pandemic on the hospitals and how this was being managed. This was supplemented with preparations in readiness for the Trust's planned merger with Western Hospitals NHS Foundation Trust from 1st April 2021. The use of technology has enabled staff to engage on important topics and to post questions of importance to them. 'Live' attendance at the weekly briefings now exceeds circa 1,000 participants and provides a platform for staff unable to attend to catch up on the events at a later date.

A series of workshops and surveys with staff in the autumn informed the development of a set of refreshed organisational values for University Hospitals Sussex NHS Foundation Trust and the People Strategy for 2021/22.

'I would recommend my organisation as a place to work' is a question within the annual NHS Staff Survey and the Trust has increased year on year from the worst Trust score in 2016 (46.6%) to 60.3% in 2020. The national average for the NHS

Staff Survey has increased significantly in 2020 from 62.9% in 2019 to 66.9% in 2020. Given the context within which the staff survey was conducted (Sep-Dec 2020), this is very encouraging. The Trust has a comprehensive plan to further improve scores by identifying key focus areas gathered as part of the annual survey, internal merger survey and focus group workshops and by using a targeted approach to drive correlated low scoring questions at Divisional level.

Quality Improvement – True North objective: to be in the top [best] 20% of trusts for preventable mortality and provide 99% harm free care.

Reducing preventable mortality

Although standardised mortality ratios like HSMR and SHMI are not designed to model pandemic activity, mortality rates have been continuously monitored during the past 12 months. A review of mortality in 2020 highlighted that:

- 1547 patients died in BSUH during 2020, of these 234 (15%) died within 28 days of having a positive swab for Covid-19
- The annual number of deaths in 2020 was lower than the previous five years with 53 fewer deaths in 2020 compared to 2019
- The number of deaths in March and April were higher than predicted and the rate of crude mortality was also higher in these months
- Deaths in July and October were lower than predicted
- The proportion of male deaths as a result of Covid-19 was statistically significantly high at 63%
- 65% of the Covid-19 deaths occurred in patients aged 80 or above, this compares to 55% of the non Covid-19 deaths
- In total 140 patients died in the first wave of Covid-19
- In the 12 months to December 20 the rolling SHMI was 108.3
- In the 12 months to January 21 the rolling HSMR was 96.3

We continue to maintain focus on improving our recognition and management of deteriorating patients, in addition to improving our learning from deaths through structured judgment reviews.

Avoiding harm

The national initiative for measuring the rate of harm free care concluded in March 2020 and work continues in developing a national new measure that will include falls, pressure ulcer, catheter acquired infections and preventable hospital acquired infections. This has been delayed due to the Covid-19 pandemic.

In 2020/21 a new Harm Free Care Group was set up to ensure that we learn fully from all falls and pressure ulcers, and deliver continuous improvements in care as a result of this learning.

During 2020-21 the adult inpatients falls rate was 3.71 falls per 1000 bed stay days, which was marginally higher than the previous year's rate of 3.68. The last available national data for falls reported a rate of 6.6 falls per 1000 bed days.

The rate of acquired pressure ulcers was 1.09 per 1000 bed days, exactly the same rate as in 2019-20.

Also the National Infection Prevention Board Assurance Framework was used to monitor our compliance and practice against the national best standards.

Sustainability – True North objective: to deliver high quality healthcare in a sustainable way.

Our long-term sustainability objective is to live within our budget. In the medium term, we had committed to financial plans that reduce our deficit and we have achieved this in each of the last four financial years. In 2020/21 the Trust responded to the challenging environment presented by the Covid-19 pandemic and delivered a financial year end position of £4k surplus, surpassing the target of breakeven. The foundations developed and embedded over the last four years, together with opportunities presented by combining with Western Sussex Hospitals NHS Foundation Trust to form University Hospitals Sussex NHS Foundation Trust, have allowed University Hospitals Sussex NHS Foundation Trust to submit a breakeven plan for 2021/22. The plan is to continue to meet the target of breakeven for the year and support recovery of elective services; as intended by the new interim financial framework.

Systems and Partnerships – True North objective: to have 95% of A&E patients waiting less than four hours to be admitted or discharge and to reduce referral to treatment below 18 weeks for 92% of patients.

Our long-term systems and partnerships objectives are to have 95% of A&E patients waiting less than four hours and to achieve a referral to treatment (RTT) time below 18 weeks for 92% of patients. In the medium term, we are concentrating our improvement efforts on reducing the numbers of patients who visit A&E and wait over four hours and then aren't eventually admitted to hospital, and are committed to ensuring no patients wait more than 52 weeks for elective treatments.

As with all NHS Trusts these aims were materially impacted by the Coronavirus in 2020/21.

The Trust reduced its routine elective capacity in accordance with National clinical guidelines, but maintained care for patients with the most urgent clinical needs, and responded to significant numbers of Covid patients. As a result of the reduction in elective capacity the Trust performance for RTT reduced to 57.2% by March 2021.

In A&E the Trust saw, treated, admitted or discharged 86.3% of patients within 4 hours across the year (the performance includes Brighton Station Walk in Centre, and Lewes Victoria and Uckfield MIU attendances). The Trust has worked collaboratively with partners, continued to develop our estate to support A&E and continued to enhance our internal process improvements which will continue to mature and deliver improvements into 2021/22.

Risk Management

The Trust has an established risk management framework, which has been judged by the Trust's internal auditors as effective. This framework incorporates a Board Assurance Framework (BAF) which is used to record and track the management of the Trust's strategic risks. Each strategic risk has an executive lead and is overseen by a specific Committee of the Board. Throughout the year regular reporting of these risks has been provided through the Board Committees to the Board and at each Board meeting the Board confirmed the Board Assurance Framework fairly represented the Trust's strategic risks. The Board also confirmed the Trust's risk appetite statements which are used to drive the respective risk's target scores. During the year the BAF records that the Trust has been managing 13 significant risks, and at the year end the Trust had five highly scored key risks remaining these related to

- Being unable to deliver ongoing efficiencies and flex our resources in an agile way resulting in an increasing or unmanaged deficit and inefficient, unaffordable and unsustainable services;
- Being unable to consistently meet the health, safety and wellbeing needs of our staff as we recover and restore services in line with Covid-19 restrictions;
- Being unable to develop and maintain collaborative relationships with partner organisations based on shared aims, objectives, and timescales leading to an adverse impact on our ability to operate efficiently and effectively within our health economy;
- Being unable to define and deliver the strategic intentions, plans and optimal configuration that will enable our services to be sustainable, leading to an adverse impact on their future viability; and
- Being unable to deliver and demonstrate consistent compliance with operational and NHS constitutional standards resulting in an adverse impact on patient care and financial penalties and the Trust's reputation and the reputation of the Trust.

For each of these risks there is a detailed series of actions which will continue through 2021/22. The delivery of these actions and the impact on these risks is monitored through the appropriate oversight Committee of the Board

The Trust took action during the year which saw its BAF financially related risk reduce but the risk relating to the Trust's ability flex its resources did not reduce to the same level reflecting the level of uncertainty over the demands on the Trust to deal with the Covid-19 pandemic and the changing financial framework the NHS is subject to.

The Trust has taken a number of actions to enhance its processes to support the wellbeing of its staff. However, given the relentless pressure the pandemic has placed on the Trust's services and the prolonged period of the national incident the Trust has assessed the long term risk to staff wellbeing as increasing. The Board has established a dedicated People Committee will track the effectiveness of its

plans to mitigate this risk alongside receiving direct information from staff feedback / surveys on the efficacy of the wellbeing programmes developed to support the Trust's staff.

During the year the Trust worked collaboratively with its system partners including leading on the Sussex Acute Care Network Collaborative within the Sussex Health and Social Care Partnership. This work has seen the reduction in the respective BAF risks but they remain highly scored at the year end.

In respect of the compliance with regard to the key constitutional targets the Trust took action and has prioritised the treatment of patients according to their clinical needs. Like the majority of NHS providers, the Trust has taken action to support the NHS and the Country with their measures to deal with Covid-19 which has impacted on the Trust's ability to reduce further this risk.

During 2020/21 the Trust has responded positively to the national requirements placed on it with regards to countering Covid. The Trust has been supported through the established bronze, silver and gold incident control processes which included a robust capturing of issues and risks and the follow through on actions to mitigate these. These processes were considered by Internal Audit to be robust and effective and have placed the Trust in a strong position to adapt its control environment to respond to the changing nature of the county's and National Health Service response to Covid-19.

Further detail in respect of the Trust's risk management framework can be found in the Trust's annual governance statement which is included in this report.

1.4.3 Regulatory Standards

BSUH uses a Performance Framework and associated governance to ensure sustained delivery of key measures based on the principles of the Balanced Scorecard. This framework ensures scrutiny, assurance, and where necessary, remedial actions and follow through to compliance recovery. The structure of this framework was developed in quarter 4 of 2017/18 and ensures oversight through:

- Directorate review of departmental/ward delivery
- Divisional Management Board review of associated Directorates
- Divisional Strategy Deployment Reviews (SDRs) undertaken by the Trust Executive
- Monthly performance review by Finance and Performance Committee and Trust Board

Each layer of review and action considers both the key targets and outcomes/objectives used to assess operational performance under the Single Oversight Framework, and a wider set of balanced scorecard indicators that have been selected to provide a more complete view of operational risks and interdependencies. The review process is underpinned by an extensive suite of

business intelligence tools designed to show outcomes, but also the drivers of potential compliance risks such as changing demand profiles.

This governance framework was adjusted as part of Covid prioritisation process as the Trust adopted its Gold command framework to respond to the national Covid-19 pandemic as instructed to do so by NHS England. However, through this period the Trust maintained its scrutiny of performance via its established Gold command, and continued to submit performance reporting in accordance with National mandated standards. The routine governance framework is being restored 2021/22.

The operational performance of BSUH is measured against key access targets and outcomes objectives set out in the Single Oversight Framework drawn up by NHS Improvement, the regulator of health care organisations. These are:

- A&E maximum waiting time of 4 hours from arrival to admission/transfer/ discharge
- Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway
- All cancers – maximum 62-day wait for first treatment from:
 - urgent GP referral for suspected cancer
 - NHS cancer screening service referral
- Maximum 6-week wait for diagnostic procedures

Constitutional Standards	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	2020/21 YTD	2020/21 Target
A&E : Four-hour performance	84.0%	91.2%	94.0%	94.4%	93.4%	87.8%	86.4%	83.1%	83.8%	77.2%	76.4%	82.5%	84.9%		95%
Cancer: 62 days urgent GP ref to trtmnt	79.5%	71.4%	84.6%	88.4%	79.6%	78.4%	80.6%	78.6%	72.5%	78.0%	69.5%	57.7%		75.9%	85%
RTT - 18 week performance	67.0%	59.4%	54.1%	47.8%	44.8%	49.8%	55.0%	57.8%	61.0%	60.5%	58.4%	57.3%	57.2%	57.2%	92%
Diagnostic % 6 Week Waits	15.4%	61.4%	65.3%	52.3%	41.1%	43.9%	34.0%	28.7%	29.4%	35.9%	37.6%	31.8%	26.4%	26.4%	<1%

A&E

Nationally it has been a challenging environment throughout 2021/20 with emergency demand affected by Covid-19. Trust performance for the year was below the National target of 95%. As the Trust has come out of the respective waves of the pandemic, the Trust has recommenced its programme of work to improve performance through recognised improvement methodologies and clinical pathway improvements throughout the patient emergency pathway.

Additionally, the Trust has continued to engage and co-ordinate aligned resilience plans in the wider Local Health Economy, through the Sussex ICS chaired Local A&E Delivery Board, and wider regional acute partners for escalation to target reduced delayed transfers of care, to free up bed capacity and enhance patient flow.

Referral To Treatment (RTT)

The Trust's RTT performance has been variable across the year with a reported performance of 57.2% for March 2021. The impact of Covid-19 National guidance regarding the suspension of routine elective cases impacted on RTT throughout most of the year, and restoration and recovery has commenced in 2021/22.

Cancer 62-day Performance

The impact of coronavirus in March 2020 and into 2020/21 impacted materially on cancer performance. Cancer 62 day performance YTD 2020/21 despite this was 5% higher than 19/20, at 76.9%. The Trust experience an increase in 62 day waits as a result of the initial wave of Covid to September 2020, but has recovered these long waits to pre-Covid levels by March 2021.

A focus on improving the waiting times for diagnostics, in a safe environment will also contribute to the improvement in this standard.

Whilst performance dipped at certain periods throughout the year, The Trust activity met cancer demand in 2021.

Diagnostic 6-week waiters

Trust performance fell to an average of 26.4% for March 2021 against the 1% national target. The Trust observed significant capacity pressure in imaging modalities and endoscopy due to workforce and equipment constraints exacerbated by the activity suspension as a result of the national Covid response directions.

Summary of Operational Performance 2020/21

Indicator	Standard / Threshold	2020/21	2019/20	2018/19	2017/18	2016/17
18w RTT - Percentage of incomplete pathways waiting less than 18 weeks	92%	57.18%	67.8%	80.3%	85.5%	78.0%
18w RTT - Numbers of over 52-week waiters during the year	0	4813	463	34	747	1786
Diagnostic Tests waiting longer than six weeks - percentage of all waiters	1%	26.4%	19.95%	14.7%	2.0%	1.9%
Operations cancelled on the day not re-booked within 28 days	0	147	190 (to Feb)	107	90	54
Number of urgent operations being cancelled for the second time	0	0	2 (to Feb)	8	16	14
A&E - Percentage of patients who spent four hours or less in A&E	95%	84.9%	82.3%	84.29%	84.28%	82.69%
A&E - Numbers of patients who have waited >12 hours in A&E from decision to admit	0	16	44	238	146	50
Cancer: Two week wait referral to date first seen	93%	99%	88.9%	87.5%	94.15%	93.3%
Cancer: Two week wait referral to date first seen - breast symptomatic	93%	98.1%	83.8%	91.8%	95.84%	97.18%
Cancer: 31 day wait from diagnosis to first treatment	96%	89.6%	96.0%	97.8%	99.20%	98.1%
Cancer: 62 day wait for first treatment from urgent GP referral	85%	57.7%	68.9%	71.0%	76.62%	76.69%

Cancer: 31 day wait for second or subsequent treatment - surgery	94%	84.2%	95.0%	98.1%	99.11%	95%
Cancer: 31 day wait for second or subsequent treatment - chemotherapy	98%	100%	99.8%	99.9%	99.50%	99.18%
Cancer: 31 day wait for second or subsequent treatment - radiotherapy	94%	99.4%	99.7%	99.2%	99.53%	97.99%
Cancer: 62 day wait for first treatment from referral from NHS cancer screening service	90%	53.5%	72.2%	66.6%	69.95%	76.23%
Emergency re-admissions within 30 days of discharge (%)	10.5%	8.96% (Apr-Dec)	8.37% (Dec-Nov)	8.50% **	8.56% **	11.96%
Stroke: % of patients who spend > 90% of time on stroke unit	80%	75.7%	81.45%	84.36%	81.92%	85.71%
Stroke: % admitted directly to stroke unit	90%	40.96%	55.96%	63.21%	63.35%	67.52%
Stroke: % scanned in less than one hours of hospital arrival	50%	62.1%	70.94%	71.88%	70%	67.31%
Stroke: % of patients scanned within 24 hours	100%	98.4%	97.74%	99.65%	100%	98.95%
Stroke: % of high risk TIA cases treated in 24 hours	60%	50.2%	64.91%	75.55%	77.53%	85.31%
Stroke: % of low risk TIA patients seen in seven days	100%	95.3%	98.55%	99.25%	99.48%	98.76%
Number of falls resulting in moderate or severe injury, or death	-	10	28	15	21	19
Number of cases of MRSA bloodstream infections	0	2	5	1	1	2
Number of C. Difficile infections	46	45	49	44 to Feb	56	51
"Never Events" reported	0	6	1	2	4	5
Summary Hospital Mortality Indicator (SHMI)	100	108.37	97.68	93.87 **	98.19 **	97.59 **
Hospital Standardised Mortality Ratio (HSMR) - all week	100	95.11	89.03	96.5 **	98.4 **	93.75 **
Hospital Standardised Mortality Ratio (HSMR) - weekends	100	95.79	91.74	93.33 **	96.36 **	102.58
Emergency Caesarean Section rate	13%	34%	18.02%	17.5%	17%	14.52%
Number of single sex accommodation breaches	0	161	481	635	661	923

** being below the target / threshold is an indication of good performance

1.4.4 Financial Performance 2020/21

The key highlights for the Trust's financial performance for the year were:

- Actual performance - against a challenging year responding to the impact of Covid-19, the Trust delivered a deficit for the year of £7.98m. After adjusting the performance for the impact of impairments and donated asset movements, the adjusted a reported performance is £4k surplus.
- Performance - The performance target as agreed with the Integrated Care System (ICS) was a breakeven position, which the Trust delivered.
- Capital - expenditure on capital schemes of £131.71m, including £91.07m on the 3Ts building development, £10.74m on the backlog and estates, £7.22m on Information Technology and £6.67m on replacement equipment.

Summary of the Trust's 2020/21 financial performance (excluding the charity):

	£m
2020/21 Deficit for the year	(7.98)
Add Back: Impairments	9.21
Remove: Donated Asset Movements	(1.23)
2020/21 Reported Financial Performance	<u>0.004</u>

Financial outlook

On 1st April 2021, Western Sussex Hospitals NHS Foundation Trust acquired the assets, liabilities and operations of Brighton and Sussex University Hospitals NHS Trust, forming University Hospitals Sussex NHS Foundation Trust through merger by acquisition under section 56A of the NHS Act 2006.

The new Trust, University Hospitals Sussex NHS Foundation Trust, has developed a revised financial plan reflecting these new arrangements and a target position of break-even. Prior to 25th March 2021, both Trusts' had prepared a preliminary financial plan for 2021/22 to also deliver a break-even position. It should be noted that in the Full Business Case for the merger, the forecast for 2021/22 was a break-even position and maintaining a Use of Resource Rating of 1.

Efficiency programme delivery

Quality-led improvement has remained a key priority for BSUH throughout 20/21, and supports the NHS Long Term Plan's objectives i.e. to develop workforce, technology and innovation-led efficiencies. Improvements to patient experience, including safety and effectiveness, means we can deliver consistent high-quality care in more cost-effective ways; improving the flow of patients through our hospitals.

The impact of Covid-19 from early 2020 onwards limited the Trust's capacity to develop and deliver new efficiency schemes, which meant that the overall size and scope of the programme in 2020/21 was smaller than in previous years. However, BSUH alongside WSHFT were part of the few Trusts nationally that were able to deliver Efficiency Programmes in such challenging circumstances, and exceeded the 1.1% requirement against budget that was set prior to the pandemic response. Overall, £6.2m savings were delivered against the opening plan of £5.35m

All schemes were subject to rigorous quality and safety checks to ensure quality standards were maintained or improved, and that they did not negatively affect the Trust's response to Covid-19 or its capacity to recover and restore non-Covid services. Quality impact assessments for each scheme are developed by staff working in the relevant areas, and signed off at executive level before implementation.

Our Medicines Management team delivered a significant contribution (£1.52m against a plan of £0.92m), through optimisation of medicine usage and switching to best value alternatives. Supporting our clinical teams, the Procurement team delivered a further £0.85m savings across a range of schemes.

The Trust's response to the Covid surges has also enabled significant changes in how patients have been cared for, encouraging the adoption of new ways of working and patient pathway improvements. Whilst initiated through pandemic conditions, a number of these changes will be evaluated and embedded into clinical and operational practice moving forward, sustaining the positive impact on our patients where possible.

Whilst operational teams remained focussed on managing the Covid-19 response in early 2021, efficiency planning for the coming year took place where possible to minimise impact to front-line staff. A key opportunity for 2021/22 will also be the realisation of benefits following the merger of BSUH and WSHFT, where the increased scale of University Hospitals Sussex will enable us to go further and faster on improvements to the quality of patient care whilst at the same time enabling productivity and efficiency benefits.

Summary

From a financial perspective 2020/21 was a positive year with the Trust achieving its True North objective of 'delivering high quality healthcare in a sustainable way' by delivering a breakeven position for the year. This performance was achieved whilst also responding to the fast changing challenge of the Covid-19 pandemic, which saw operational priorities reviewed and adjusted throughout the year in response to the changing healthcare needs of the population that the Trust serves.

University Hospitals Sussex NHS Foundation Trust has submitted a breakeven plan for the period April to September 2021, with the new Trust starting from a financially sustainable breakeven position.

Going concern

After making enquiries, the Directors have a reasonable expectation that the NHS Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts. For more details, see section 4 of this report on the Trust's financial statements.

1.4.5 Our Capital Plan

The Trust's Capital Plan is comprised of two components: strategic capital and operational capital. The strategic capital plan is the budget spent on major projects in varying stages of development, primarily:

- 3Ts development (£91.07m);

Development of the operational capital plan followed an extensive prioritisation process and Board approval in March 2020. During the year the Trust successfully delivered 129 separate investments totalling £40.64m. These covered a wide range of investments linked to clinical divisional priorities (including service developments), medical devices, investments in backlog maintenance and in IM&T infrastructure and systems. These investments were also supported by £0.89m of charitable funds from the Trust own charity and partner charitable organisations. Notable investments included:

- Operating theatre refurbishment on the PRH site (£2.64m)
- Replacement of our fleet of Endoscopy scopes and associated decontamination equipment (£1.73m);
- Replacement and relocation of a CT scanner and x-ray machine on the PRH site (£1.09m)
- Additional capital expenditure as a result of COVID (£2.38m)
- Replacement of more than 100 items of aging medical equipment (£4.99m); and
- Significant investments in our IM&T infrastructure, hardware and software systems (£7.22m).

1.4.6 Environmental Sustainability

Environmental sustainability, our Green Plan and Net Zero has been highlighted as a key priority for the Trust. Looking ahead to 2021/22 we will be tracking progress against our Environmental Strategy as a **corporate strategic initiative**. During 2020/2021 we have continued to work in partnership with colleagues from neighbouring Trusts and put significant effort to formalise and structure our **Environmental Strategy Steering Group (ESSG)**.

The Trust recognises and is signed up to the NHS campaign 'For a greener NHS' and its two key targets;

1. The NHS Carbon Footprint (the carbon emissions the NHS has direct control over) aims to be Net Zero by 2040. To achieve this an ambitious 80% reduction of carbon emissions by 2028 to 2032 has been defined.
2. The NHS Carbon Footprint Plus (the carbon emissions the NHS can influence) aims to be Net Zero by 2045. With an 80% reduction target of the carbon emissions by 2036 to 2039.

The ESSG will oversee the direction and delivery of the Environmental Strategy against these two targets. Membership is broad from across all divisions and the action work-streams have been shaped around the NHS Carbon Footprint Plus. Work-streams set clear actionable objectives which ensure continual improvement, effective ongoing management and adaptation and in developing a culture with green sustainability at the core and the commitment to meet net zero carbon emissions.

Our aim to **increase carbon awareness and literacy** amongst our staff, empowering and equipping them with the knowledge and tools to implement effective change to achieve net zero within their work remits.

Our approach to deliver will follow key principles

- Measure
- Avoid
- Re-use
- Alternatives
- Communicate

During 2020/21 The Green Group continued to develop and implement the Trust’s environmental strategy, adapting to the challenges that Covid-19 placed on operational demands and resources. Some highlights include;

	<ul style="list-style-type: none"> • Adapting our objectives and plan with the targets set out in “Delivering a Net Zero NHS” published in October 2020. • Overall achieving a 3% reduction in energy usage during 2020/2021 with some localised areas making greater savings. • Commissioned the production of an Umbrella Travel Plan by an external consultant to undertake a parking review for BSUH and our partnering trust WSHFT. The plan establishes objectives to encourage sustainable transport for staff and public, considering our position and impact in the wider community / amongst other local businesses and the 3Ts development. The plan contains a clear action plan of which implementation is underway.
--	--

	<ul style="list-style-type: none"> • Promotion of active travel alternatives such as cycle to work schemes and the use of public transport. • Conducting a review into the uptake of online meeting software and its impact on cross site travel. • Successfully managed and adapted to meet the exponential growth of waste management requirements generated through Covid-19. • Formulation of a 3Ts BREEAM and net zero work-stream to ensure project achieves environmental commitment to attain BREEAM excellent and that the building design aligns to our environmental sustainability goals. • Established a clinical work-stream to capture existing good practice and projects and formalise approach going into 2021/22. Existing work includes a review of the carbon footprint and process for return of mobility aids, a pilot programme for metered dosed inhalers and continued regular reporting on volumes of anaesthetic gases used highlighting the move away from desflurane to gasses with lower global warming potential. • Began the launch of our Green Ambassador engagement programme with 40 sign ups in the first week, the GA group will support and the act as a communication line between the GSG and on the ground operations. Submit project ideas as well as highlight areas of existing good practice that can be celebrated and potentially rolled out elsewhere. • Producing Carbon Footprint process document for full reporting of our NHS Carbon Footprint Plus from 2021.
	
	

1.4.7 Statement on equality and equity of access

BSUH is committed to offering services that are equitable and provide equality of access. As part of this commitment the Trust within its service change and business case process undertakes a review on the equality and equity of access as part of the needs assessment and associated service configuration processes. The Trust as lead for the Sussex Acute Collaborative Network within the Sussex ICS plays an active role with Sussex ICS who, in accordance with Operating Framework 2021/22

are embarking on a programme of work to review equity of access by geographic and demographic profile of the Trust catchment populations, with the aim to build stronger and more collaborative strategies to address health inequalities.

The Trust has built the voice of the patient into each of its transformation programmes to check that any changes improve equality and equity of access. Also the Trust monitors patient and carer feedback as described in the section 1.4.8 below and uses this to assist in monitoring the equality and equity of access to our services and takes steps where feedback highlights deficiencies.

1.4.8 Patient Care

Care Quality Commission Inspection

In September 2018 the CQC undertook a comprehensive inspection of both the Royal Sussex County Hospital in Brighton and the Princess Royal Hospital in Haywards Heath. The full findings of their inspection, which were published in January 2019, saw the Trust rated as 'Good' overall and 'Outstanding' for care.

Following this inspection, the Trust has continued to make progress in delivering improvements against the CQC Action Tracker, detailing all actions by division, the progress made and the evidence method. This is updated and monitored monthly at the Patient Experience and Engagement Group. All the 'Must do' actions were successfully completed in 2019 and of the 61 wider actions to deliver the learning from the inspection across the Trust, 50 of these are complete and 11 are progressing in line with the completion dates.

Due to the Covid-19 pandemic, in 2020/2021 the CQC made no on site visits to Trust premises. They did, however, continue with virtual provider engagement "deepdive" reviews via MSTeams. These engagement reviews have covered the following service areas; Diagnostic services; IRMER; Ophthalmology; Emergency care; Covid and infection prevention and control; Maternity services, neonatology & the Trust's response to Ockenden; Post Covid restoration and recovery plans and the Trust deployment of its Clinical workforce and staff.

In 2020/21 we continue to further develop a positive relationship with our regulator, with monthly informal engagement discussions and open and transparent communications. The CQC is due to carry out its first joint engagement review of ophthalmology for the new organisation in May.

Patient Experience

We constantly strive to give our patients the best possible treatment and care and we encourage patient feedback to help inform improvements to our services.

The Friends and Family Test (FFT) provides a national benchmark for all NHS hospitals. All adult, day case and paediatric inpatients, and those attending the Emergency Department (ED) together with 30% of outpatients, are asked the following question: *"Overall how was your experience."*

Patients can respond with one of six options ranging from 'very good' to 'very poor'. The results are reported to the Trust Board each month. Further to the mandatory question we also ask patients to provide comments on why they gave that particular score.

From 1st April 2018 (FFT) data has been collected electronically across all areas of the Trust. This feedback is collected via SMS (text message on a mobile phone) or Interactive Voice Message (IVM via landlines if mobile number not available). In 2020/21 50,471 patients have provided feedback in this way, despite a reduction in patient activity due to Covid-19.

The SMS and IVM system allows patients to provide considered responses once they have left hospital premises and without the involvement of healthcare professionals, meaning less bias in the feedback provided. The increased response rate has resulted in a far wider range of themes being reported, which can be analysed and quickly acted upon. All departments and wards have online access to a live dashboard of their results, detailing comments and voice recordings, through the collection service. Patients can also view the FFT score monthly, on the Trust's website, NHS Choices and NHS England's website.

The Trust continued to collect FFT data for local use during 2020/21 which, together with the free text comments, has been used to support improvement projects across the Trust, in line with the Patient First Improvement System (PFIS).

2020/21 Inpatient FFT results

Month	Response Rate	Recommend Rate
Dec-20	26.5%	93.3%
Jan-21	23.6%	94.1%
Feb-21	24.8%	92.7%
Mar-21	25.3%	92.1%

2020/21 Emergency Department FFT results

Month	Response Rate	Recommend Rate
Dec-20	14.8%	85.1%
Jan-21	20.8%	90.3%
Feb-21	20.0%	89.0%
Mar-21	23.6%	88.3%

2020/21 Outpatient FFT results were (response rate not recorded)

Month	Recommend Rate
Dec-20	94.0%
Jan-21	92.8%
Feb-21	93.4%
Mar-21	94.2%

2020/21 Maternity FFT results

Month	Response Rate	Recommend Rate
Dec-20	13%	94.6%
Jan-21	15.7%	94.4%
Feb-21	10%	95.1%
Mar-21	12%	94.1%

Patient feedback

We constantly strive to give our patients the best possible treatment and care and we encourage patient feedback to help inform improvements to our services.

Since April 2018 all concerns received by the Trust are categorised and managed as informal or formal concerns. This means that all concerns raised, whether in writing or verbally, are acted upon by either the Patient Advice and Liaison Service (PALS) or the Complaints team.

4376 informal and formal concerns were received by Brighton and Princess Royal hospitals in 2020/21. This shows a 25% reduction from the previous year due to the significant reduction in activity due to Covid-19.

46% (2005) of the concerns raised were managed formally and 79.2% were closed within 25 working days. This represents a 2.2% increase from 2019/20.

The remaining 54% (2371) of concerns raised were managed informally, 98.1% of which were closed within 25 working days.

There was an 11% reduction in the number of informal concerns received from the previous year and the PALS team was redeployed to a variety of roles, using their specific skills and knowledge to support communication with patients, their relatives and representatives during this fast changing and difficult time.

Formal concerns

	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of formal concerns	1792	1716	1915	2038	2005

Informal concerns

	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of informal concerns	3089	3099	4154	3818	2371

Parliamentary and Health Service Ombudsman

In 2020/21 0.15% of all formal complaints received were accepted for investigation by the Parliamentary and Health Service Ombudsman. Of these, one remains open and two were closed - not upheld.

Learning from informal and formal concerns

The Trust is committed to learn and respond for feedback provided. Below is a summary of some of the changes we made as result of listening to feedback:

You said (learning and improvement needed)	We did (learning and change made)
Postnatal difficulty in feeding and weight loss	Following concerns raised about this issue postnatal ward care policy now contains specific advice regarding frenulotomy, highlighting specific examination for the condition and referral if there are significant feeding difficulties in the presence of tongue-tie.
Macmillan support and advice at the Princess Royal Hospital	Introduction of a week day Macmillan service providing support to patients at PRH. There is also room is now available in the urology outpatient department for patients receiving a likely cancer diagnosis.
Unwitnessed fall on care of the elderly ward	Implementation of 'Baywatch' - medical, nursing and therapy teams now work together to ensure that a bay is never left unattended and a member of staff will always remain in the bay to observe patients. This message is reinforced regularly at the safety huddles and is monitored by the Ward Manager and Matron. A nurse's station has also been introduced to each of the bays so that nurses do not have to leave unnecessarily. New stock trolleys have also been introduced to ensure each bay has stock items needed for personal care again, reducing the need for staff to leave. At the beginning of every shift, as part of the daily safety briefing at handover, all patients at risk of falling are highlighted to ensure every member of staff knows which patients are most at risk of falling.

Compliments

Despite the reduction in activity, patients and families continued to share their thanks and appreciation for care provided at our hospitals during 2020/21.

	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of plaudits	364	988	1618	1390	1472

Below are a small number of plaudits provided to our staff

My thank you to you, is that the Princess Royal and its staff is an amazing place; my daughter and son were both born there, we've had a few minor knocks and illnesses since and the service you always give is first rate.

I just wanted you and your staff to know that I was extremely impressed with the efficiency and speed that my appointment was handled. The contact from the hospital to make the appointment was done so quickly - a great relief to me. Even though the appointment on the day was delayed I was kept fully informed of the delay - which did not cause me any problems. The Registrar and the Nurse were extremely polite, professional and helpful. I could not have expected better treatment from them.

I would just like to say a huge thank you to staff and volunteers at Sussex House. I had my jab yesterday. The whole process was made very easy and was extremely well organised from beginning to end.

Just wanted to say a huge thank you to all staff and volunteers for the fantastic work you do... and the complete love and dedication of the staff at the Trevor Mann Unit.

I would just like to convey my sincere gratitude and thanks for the service I received, from the ambulance personnel up to the consultant and the tea lady .everybody was most kind and courteous, and waiting time was minimal ,thank you all there cheers to the NHS.

Engagement

Despite the Covid-19 pandemic community engagement continued during 2020/21. This included 3Ts way finding focus groups and an engagement event - attended by over 50 members of the public, Healthwatch, Clinical Commissioning Groups (CCG) and Possability People – to make patients aware of the Patient Knows Best service and provide an opportunity for them to comment on the system before its launch.

In 2020/21 BSUH strengthened its partnerships with commissioners, other NHS providers, local authorities and VCS organisations to plan and provide coordinated care and communication across the Sussex Integrated Care System.

Patient Experience during COVID-19

Covid-19 necessitated a shift in emphasis from responding to patient feedback to proactively creating positive experiences. A number of initiatives were introduced to enable our patients stay in contact with their families and loved ones following feedback via wards and PALS.

Letters to Loved Ones was set up for Families and friends of patients so they could send their personal messages and letters to loved ones in hospital to ensure that they were still able to contact despite restricted visiting.

Further to this, donated mobile devices and tablets were distributed to patients who did not have access to a mobile device so they could speak with their loved ones and keep them updated.

Families who had loved ones who were too unwell to use a mobile device were sharing feedback of the distress they felt not being able to visit. Hearts for Comfort was initiated to help connect patients and their loved ones, a pair of hearts is shared between the patient and their family provided comfort whilst they were separated from their loved ones.

1.4.9 Our People

BSUH NHS Trust is the proud employer of almost 9000 people. Each and every one of those people enables us to provide high quality care to the people of Brighton and Hove and East and West Sussex. Below is an analysis of our staff on a whole time equivalent basis rather than the number directly employed, the column other relates to staff who work for the Trust through our internal staff back.

Recruitment 2020/21

In line with national efforts during the Covid-19 pandemic, the focus has been to recruit safely at pace and scale using the NHS Employer's Fast-Track process, focusing on domestic recruitment, international recruitment and encouraging staff to return to practice via "the NHS needs you" campaign.

During 2020/21 the Trust has successfully recruited 1582 external applicants to a number of professional areas broken down as follows:

Registered Allied Health Professionals	194
Facilities & Estates	175
Admin & Clerical	249
Non Registered Allied Health Professionals	108
Registered Nursing	264
Non Registered Nursing	592
Grand Total	1582

During the second wave, in order to capitalise on the "Nightingale effect", the NHS has had a renewed recruitment drive with a series of targeted recruitment campaigns with the aim to reduce Health Care Worker/ Assistant Posts. The Trust is on target to reach its Health Care Support Worker/ Assistant recruitment objective by April 2021.

In addition to local recruitment, there has been a large focus on international recruitment, recruiting qualified Nursing Staff from a number of countries from Africa & Asia including South Africa, India & the Philippines. A number of other countries are being explored in conjunction with our recruitment agencies and NHSE/I in order to meet our recruitment targets by October 2021.

Trust complies with all the requirements of NHS Employment Standards and ensures that all necessary checks and clearances are carried out prior to employing an individual.

1.4.10 Research and Innovation 2020 - 21

The National Institute for Health Research (NIHR) which co-ordinates and funds much of the clinical research in the UK made the decision early in the pandemic to temporarily halt all projects, and concentrate its resources on a select number of urgent public health research studies and clinical trials. As such the core focus of Brighton and Sussex University Hospitals' research team during 2020-21 was on the delivery of clinical research to support the diagnosis, prevention and treatment of Covid-19.

We started the year with 168 active clinical trials and research projects, 127 of these were still recruiting new patients across our hospital sites Brighton and Haywards Heath. By April the vast majority of these studies were put on hold as services were suspended; only opening again for a brief period between August and December.

During the year the Trust opened 16 clinical trials and research projects that focused on Covid-19. Along with most acute hospitals we participated in the main national

platform trials such as Recovery and REMCAP, which enabled the rapid testing of a range of drugs to assess benefits to patients in addition to the usual care. Brighton was also selected to run some of the more specialist trials. It was one of only 4 sites in the UK to recruit to the trial that led to regular use of the drug Remdesivir as a treatment patients hospitalised with Covid-19. Brighton was also the lead site, with Professor Martin Llewelyn as the Chief Investigator for the UK's first study that's primary objective was the prevention of Covid-19. In November the site was one of 15 selected to deliver the Janssen Covid-19 vaccine trial in the UK. Set against a back drop of a national vaccine roll out most of the R&D team were set about identifying, screening and enrolling 342 volunteers into the trial, which will run for two years.

By the end of the year, 2026 patients, volunteers and staff had been enrolled in Covid-19 trials. Despite other studies only actively recruiting for 4 months of the year a further 776 patients were recruited to 70 of the trials that were running across the portfolio. These were attending our services for cancer, cardiovascular disease, HIV & sexual health, renal, gastroenterology, hepatology, ophthalmology and paediatric medicine.

Working in partnership with academics and industry from across the UK and rest of the world our high quality research has, more than ever during the pandemic, helped to advance understanding of how diseases work, leading to the development of new treatments and therapies, improving care for patients both now and in the future. It is known that patients cared for in a research study and more generally those treated in a research-active environment have better outcomes, which is why it's a core part of what we do in terms of putting the patient first.

In this report we also wish to acknowledge and thank the many patients, staff and members of the public who gave up a considerable amount of their time and took personal risks to their own health, in order to volunteer vaccine studies and other projects that offered no direct benefit.

1.4.11 Emergency Preparedness, Resilience and Response (EPRR)

BSUH continues to be committed to developing and maintaining prepared and resilient services by taking a proactive approach to Emergency Preparedness, Resilience and Response (EPRR).

The NHS England Core Standards for Emergency Preparedness, Resilience and Response (EPRR) are the minimum standards which NHS organisations and providers of NHS funded care must meet to ensure they are able to respond to a wide range of incidents and emergencies that could affect health or patient care and ensure the Trust has plans in place to continue the delivery of critical services during periods of disruption, such as a critical incident, a business continuity incident or major incident as defined by the NHS England Emergency Preparedness Resilience and Response (EPRR) guidance.

All NHS Trusts are required to undertake an annual EPRR assurance assessment and report the outcome to commissioners and NHS England for approval.

Due to the impact of the Coronavirus (Covid-19) Pandemic, the 2020 Emergency Preparedness, Resilience and Response (EPRR) Assurance process was reviewed by the national director of EPRR, NHS England and NHS Improvement, the revised process was determined to require:

- an updated assurance position of any organisation rated partially compliant or non-compliant in the 2019/20 assurance process;
- assurance that a thorough and systematic review of the response to the first wave of the Covid-19 pandemic has been undertaken and the learning embedded; and
- confirmation that any key learning identified as part of this process is actively informing wider winter preparedness activities for your system.

Whilst also responding to the Covid-19 emergency the Resilience Team have managed to continue with the standard EPRR work, keeping plans reviewed and up to date as per the work plan and continuing critical training. BSUH has steadily improved its assurance rating, year on year, and in doing so BSUH has improved its overall assurance position and was able to demonstrate substantial compliance against the assurance framework for 2020.

During 2020/2021 The Resilience Team also:

- Supported the Trust's response to the Covid-19 Pandemic;
- Ensured our Covid19 incident room was staffed 7 days a week and managed all internal and external data submissions;
- Continued to support BSUH Services and Divisions in updating their service level business continuity plans;
- actively planned for an EU Exit, attending regular EU Exit meetings and undertaking EU Exit table top exercises and the provision of information to the Department of Health and Social Care;
- continued to support our adult Emergency Departments in ensuring we continue to maintain our capability to respond to a Chemical, Biological, Radiological, or Nuclear attack or accidental exposure to a hazardous material;
- continued to support and contribute to the work of Sussex Resilience Forum and remain a key member of Sussex Local Health Resilience Partnership; and
- Trained a number of staff as loggists and incident support staff enhancing the Trust's internal capacity in these areas.

1.4.12 BEST OF BSUH

April 2020 – Card Medic

Inspired by the experience of a critically ill patient with Covid-19, Dr Rachel Grimaldi, an anaesthetist at RSCH created an innovative and simple new resource which

improved the care of critically unwell Covid-19 patients. Dr. Grimaldi developed an app with electronic flashcards to help clinicians communicate with Covid patients. Just three weeks after its launch 'Cardmedic' was already being used in 50 countries across the world and has had an incredibly positive impact on patient experience. The App was featured on BBC South East evening news as an example of innovation during the crisis.

May 2020 – BBC visit ICU at the County

Doctors and nurses working in the critical care unit at the County Hospital Brighton gave special access to the BBC South East news team to speak about life inside a critical care unit caring for some of the most seriously ill Covid-19 patients. The team spoke to BBC South East on Wednesday 13 May about what it has been like for them over the past seven weeks. The interview was shown on BBC South East Today on 14 May.

June 2020 – Clean hands save lives: the Brighton-Lusaka Health link

Brighton pharmacists worked alongside pharmacy colleagues in Lusaka, Zambia, to enhance infection prevention by sharing the skills and knowledge needed to make alcohol-based hand rub funded by the Commonwealth Pharmacy Association (CPA) and Tropical Health Education Trust (THET). Following on from this work, the group received an additional grant to expand their work to the three remaining university hospitals in Zambia and produced an educational video as a tool to share the knowledge across the Commonwealth. With Covid-19 starting to have an increasing impact in Africa at this time, this important project helped to reduce the spread of infection and ultimately save lives.

July 2020- Community support

As staff continued to respond to the pandemic they were supported and cheered on by members of the community and public sector. As the nation applauded key workers from their doorsteps, police, fire and ambulance crews attended PRH hospital and RSCH to clap for carers. Local schools, charities and organisations rallied around to provide care packages, parking, groceries and scrubs for health and care staff in the area.

The BSUH Charity launched a *Help BSUH Hospitals* campaign which raised more than £93,450 in the first year.

August 2020 – 109 days in ICU

A patient who received lifesaving treatment for Covid-19 in hospital was finally discharged home after a record 109 days in Intensive Care in Brighton. The patient went on to raise over £3,500 for the BSUH Charity.

September 2020

Our multi-disciplinary Organ Donation specialist team shared the extraordinary story of a patient who sadly died at the RSCH but donated her organs to save another person's life during Organ Donation week. This helped to shine a light on the

importance of registering donation decisions on the NHS Organ Donor Register following a national campaign last year.

October 2020

In October 2020, we announced our plans to merge with Western Sussex Hospitals NHS Foundation Trust and invited our staff and people living locally to share their thoughts about the new Trust's vision and values, as well its aspirations for the future, by completing a short survey. Nearly 4,000 people shared their views on the new organisation's vision and values, their hopes and concerns, and gave their feedback on a selection of naming options.

November 2020

Record numbers of staff participate in the BSUH flu campaign receive their free NHS flu jab ahead of winter. Ultimately, 80% of the workforce is vaccinated against flu during the campaign.

December 2020

Vaccinations begin at the RSCH. Bidge Garton, one of our longest service volunteers who has worked in the A&E department at RSCH for 35 years, was among the first to receive her vaccination.

In January, the Astra Zeneca jab arrived at PRH and the vaccination hub, staffed by teams from BSUH and Sussex Partnership NHS Trust, becomes the first hospital to commence vaccinations with the Oxford Astra-Zeneca vaccine.

January - Siren Study

Public Health England's SIREN (SARS-CoV-2 Immunity & Reinfection Evaluation) study published its findings. After performing regular antibody and PCR tests on 20,787 healthcare workers from 102 NHS Trusts since the study commenced in June. At BSUH, we had 250 active participants in the study and a further 250 from WSHFT. The BSUH lab analysed samples from 130 participants at QVH.

The study found antibodies from past Covid-19 infection provide 83% protection against reinfection for at least five months and that reinfections in people with antibodies were rare.

Early evidence also suggested a small number of people with antibodies may still be able to carry and transmit Covid-19 highlighting the importance of infection control standards to be maintained.

February 2021

Personnel from the Armed Forces and RAF join the ranks of hospital porters and discharge teams to provided assistance to frontline staff.

March 2021

The merger of Brighton and Sussex University Hospitals and Western Sussex Hospitals NHS Foundation Trust was given the green light, heralding the dawn of a new future for healthcare in Sussex. The merger will see the best of both Trusts brought together to create a new, larger organisation called University Hospitals

Sussex NHS Foundation Trust (UHSussex) which will further improve hospital services for patients in Sussex

1.4.13 Our Charity

BSUH Charity is one of more than 250 NHS Charities that exist across the UK to support their local hospitals. Our charity exists to help patients of BSUH NHS Trust access the best possible care.

As the Trust's own dedicated charity, BSUH Charity supports fundraising for all wards and departments. This includes our four hospitals: the Royal Sussex County Hospital, the Royal Alexandra Children's Hospital, the Sussex Eye Hospital and the Princess Royal Hospital.

Supporter donations are used to enhance the care and services provided to BSUH patients.

BSUH Charity vision: *Improving the experience of every patient*

Our core priorities remain:

- Creating more patient friendly environments
- Providing equipment for diagnosis and treatment
- Supporting staff development to provide even better care
- Advancing our understanding through research projects

Supporting staff and patients through Covid-19...

2020 was a year dominated by Covid-19. On 30 March 2020, BSUH Charity launched our 'Help BSUH Hospitals Fight Covid-19' campaign, in response to the pandemic. The fund was set up to support BSUH staff, as they worked round the clock to care for patients.

We also benefitted from donations to the national *NHS Charities Together* Covid-19 appeal, which received a massive boost from the fundraising efforts of Sir Captain Tom Moore.

We were overwhelmed and gratified by the outpouring of community support, and these donations, along with the central funding support, enabled us to truly make things better for our staff and patients, for example:

- **The 'Heroes' Lounge' communal staff room** was officially opened at The Princess Royal Hospital, as a direct result of public donations to our Covid-19 fund, and based on feedback from staff. Over £50k was spent on creating a comfortable, calm space for staff to relax with colleagues, and work is underway on a second communal staff room, for staff at Royal Sussex County.
- Staff who stay overnight at Sussex House benefitted from a **£32k refurbishment of the on-call rooms**. The rooms have been refreshed with new carpets, furniture and a coffee machine, to provide more welcoming accommodation for staff who have to stay away from home.
- **Over £100k was spent on upgrades to staff spaces across the Trust**. We improved the environment at 139 areas, such as clinical staff kitchens and

break rooms. New items such as microwaves, fridges, tables and chairs, TVs and toasters were provided.

- Staff at Sussex Eye Hospital were able to purchase the equipment needed to carry out **additional safety tests** around the infection risk posed by Covid-19 during cataract surgery.
- Donations to our Covid-19 campaign funded some **additional external supervision** for the Palliative Care Team, so they were able to discuss any Covid-19 issues affecting them at work with a trusted impartial supervisor.
- **The HELP staff support service** was expanded, thanks to a £62k boost from BSUH Charity. This led to increased staff access to HELP counselling and decompression debriefs, supported by an external telephone counselling service.
- **Two mannequins** were purchased for the manual handling trainers at The County and The Princess Royal Hospital. Usually, the trainers invite one of their students to play the role of a patient, but with restrictions in place due to Covid-19, this isn't possible. The mannequins allow them to demonstrate best practice more safely.

Other ways the Charity has supported BSUH patients:

- Over £300k of Charity funds were used to pay for a new **mobile breast screening unit**, for the Brighton, Hove and East Sussex Breast Screening Service. Patients will benefit directly from the new unit, and its state of the art Mammography equipment will allow images of the highest quality, in terms of sharpness and detail.
- Onward Arts is BSUH's permanent Arts Programme. The Charity has provided funding for a fixed term / secondment post for an Arts Project Manager, who will coordinate the arts at BSUH, focusing on improving existing healthcare environments, and the wellbeing of staff through arts engagement.

BSUH Charity Fundraising

In a year when face to face fundraising wasn't possible, a significant amount of virtual fundraising has continued, in support of BSUH staff and patients. There are so many fabulous examples but here are a just a few:

- A lovely schoolboy raised over £1,500 for BSUH Charity, with a sponsored walk around his garden. Inspired by Sir Captain Tom Moore, he took on a massive 200 lap challenge! His Mother told us, "[He] was genuinely really moved by the passing of Sir Captain Tom Moore and he wanted to 'carry on his work' and raise money for our local hospital."
- Another wonderful supporter hosted two online pet shows, where people could enter pictures of their pets, into various categories such as 'sweetest dog' or 'most elegant equine'. Celebrity Vet, 'Marc the Vet' judged the competitions.
- A collective of DJs from in and around Brighton, hosted two, ten-hour online dance parties for us, raising a total of £2,335. Each DJ took to their decks at home, to spin some uplifting house music, to really get people dancing around their lounge! The whole event was streamed via Mixcloud.

- An ‘internationally acclaimed singer, pianist and songwriter’, who lives in Hove has been putting on a series of musical performances, live from his shed. He decided to dedicate the final twenty performances of the ‘Stilgoe In The Shed’ series to staff at BSUH NHS. Amazingly he has now raised over £18k and told us:

“Having recently been looked after by the brilliant staff at The Royal Sussex Hospital in Brighton, I want to do my part to help the NHS go above and beyond, as they deal with the pandemic. The staff at BSUH NHS Trust do a phenomenal job looking after our community.”
- Led by one of the players from Horsham Football club, his local footballing community each ran 5km for BSUH Charity, raising an unbelievable £50k between them.

We are hugely grateful to all our supporters, new and old, who have given so generously over the past 12 months both in terms of financial donations and all the kind gifts of goods, foods, creams and so many other things that have helped the Trust staff through this challenging year.

Partner charities

We are grateful for the work our partner charities do to raise funds for BSUH hospitals and patients.

Our partner charities are listed below.

- [Early Birth Association](#) (Reg Charity No 286727)
- [Friends of Brighton and Hove Hospitals](#) (Reg Charity No 209414)
- [League of Friends of the Princess Royal Hospital](#) (Reg Charity No 257130)
- [League of Friends of the Hurstwood Park Neuro Centre](#) (Reg Charity No 263171)
- [Rockinghorse](#) (Reg Charity No 1018759)
- [Sussex Cancer Fund](#) (Reg Charity No 1147195)
- [Sussex Stroke and Circulation Fund](#) (Reg Charity No 297807)
- [The Sussex Heart Charity](#) (Reg Charity No 11209)

2 ACCOUNTABILITY REPORT

2.1 Corporate Governance Report

2.1.1 Directors' Report

Our Board of Directors 01 April 2020 to 31 March 2021

NON-EXECUTIVE DIRECTORS

Alan McCarthy, Chairman from 01-10-18 (Term of Office to 30-09-21)

Chair of the Executive Appointments and Remuneration Committee

Chair of 3Ts Oversight and Assurance Committee

Patrick Boyle Deputy Chair from 01-01-19 (Term of Office to 19-01-24)

Chair of the Finance and Performance Committee

Mike Rymer (Term of Office to 31-05-2021)

Chair of the Quality Assurance Committee

Kirstin Baker (Term of Office to 31-03-22)

Chair of the Audit Committee

Lizzie Peers (Term of Office to 11-05-23)

Chair of Charitable Funds Committee

Jackie Cassell (Term of Office to 31-10-22)

Non-Executive Director

EXECUTIVE DIRECTORS

Dame Marianne Griffiths, Chief Executive

Dr George Findlay, Chief Medical Officer and Deputy Chief Executive

Karen Geoghegan, Chief Financial Officer

Pete Landstrom, Chief Delivery and Strategy Officer

Denise Farmer, Chief Workforce and Organisational Development Director

Carolyn Morrice, Chief Nurse

Jayne Black, Chief Operating Officer (on secondment to NHSE/I from 1/01/2021)

Katy Jackson, Interim Chief Operating Officer (from 1/01/2021 to 31/03/2021)

2.1.2 How the Trust is governed

The Trust is governed in accordance with its establishment order and Standing Orders, Scheme of Reservation, Scheme of Delegation, Standing Financial Instructions.

In seeking to ensure appropriate governance arrangements the Trust Board must critically appraise its systems, processes, skills and reporting mechanisms. The Trust's governance arrangements need to take into account guidance from the Department of Health, NHS Improvement and NHS Providers on integrated governance.

The Board revised its governance arrangements across 2020/21 to ensure they remained appropriate when dealing with the national pandemic. This saw in wave one of the pandemic a refocusing of the Quality Assurance Committee to focus on assurance on the Trust's processes for dealing with Covid patients. As the Trust moved from wave one to restoration the Committee revised its focus again to encompass its wider assurance role. During the second wave rather than repurpose the Quality Assurance Committee complementary GOLD executive briefings were provided to the Non Executives supplemented by weekly Chief Executive information exchanges.

As part of the merger with Western Sussex Hospitals NHS Foundation Trust the Boards of both Trust's reviewed their current Board Committee governance arrangements. The review resulted in a revised Committee structure seeing five Committees being established aligned to the Trusts' five patient first pillars. The Committees retain their oversight of allocated BAF risks but will also have capacity within their respective work programmes to provide enhanced assurance to the Board over the Trust's delivery of their stated True Norths, Breakthrough Objectives, Corporate Projects and Strategic Initiatives. This is detailed further in the 'Board Committees' section of this report.

The Board

The Chair and Non-Executive Directors are appointed through an NHS Improvement led appointments process.

The Directors of the Trust for the period of this report are shown in the table below together with their attendance at Board meetings for the period.

The Trust has 6 independent Non-Executive Directors, one of whom is nominated by the Universities of Brighton and Sussex, in addition to the Chairman.

The Board Nomination and Remuneration Committee appoint the Trust Executive Directors.

All these appointments are subject to annual appraisal. The Chairman is appraised by NHS Improvement; the Non-Executive Directors by the Chairman; the Chief Executive by the Chairman; and Executive Directors by the Chief Executive.

All members of the Board complete a *Fit and Proper Person* declaration on appointment and then annually thereafter, in addition to other employment checks.

How the Board Operates

The Board has agreed a scheme of reservation and delegation which sets out those decisions which must be taken by the Board and those which may be delegated to the Executive or to Board sub-committees.

The Board sets the Trust's strategic aims and provides active leadership of the Trust. It is collectively responsible for the exercise of its powers and the performance of the Trust, for ensuring compliance with the Trust's Provider Licence, relevant statutory requirements and contractual obligations, and for ensuring the quality and safety of services. It does this through the approval of key policies and procedures, the annual plan and budget for the year, and schemes for investment or disinvestment above the level of delegation.

The Non-Executive Directors play a key role in taking a broad, strategic view, ensuring constructive challenge is made and supporting and scrutinising the performance of the Executive Directors, whilst helping to develop proposals on strategy.

Board meetings follow a formal agenda which includes an update from the Chief Executive, a structured integrated performance report that reflects the Trust's performance against its True North priorities, and where appropriate information on its breakthrough objectives, strategic initiatives and corporate projects and reports from each Board Committee Chair. Complementing these items are specific reports covering Strategic and Operational items including; patient safety and experience, infection prevention and control, safer staffing information along with wider workforce matters. Through the robust reporting through the Board Committee Chair the Board is updated on a range of clinical governance, financial and non-financial performance, together with performance against quality indicators set by the Care Quality Commission (CQC), NHS Improvement and by the Executive. These performance measures include metrics covering infection control targets, patient access to the Trust, waiting times, length of stay, complaints data and the results of the Friends and Family Test. The Board also receives information in respect of compliance with its provider licence.

During the year the trust held 5 Public Board Meetings, and 12 Private Board Meetings. In addition, there was an Annual General Meeting held in September 2020.

In addition, subject specific seminars were held with the Board and Governors, covering topics such as the Trust's clinical strategy, the Management Contract between WSHFT and BSUH and the development of a sustainable group structure for WSHFT and BSUH, the Trust's sustainability strategy.

Attendance at the Board of Directors Meetings

Attendance at Public Board meetings 1 April 2020 to 31 March 2021

Name	6 Aug 20	1 Oct 20	3 Dec 20	4 Feb 21	^19 Mar 21	Total
Alan McCarthy	✓	✓	✓	✓	✓	5/5
Patrick Boyle	✓	✓	x	✓	✓	4/5
Joanna Crane*	✓	✓	✓	x	✓	4/5
Lizzie Peers	✓	✓	✓	✓	✓	5/5
Kirstin Baker	x	✓	✓	✓	✓	4/5
Mike Rymer	✓	✓	✓	✓	✓	5/5
Jackie Cassell	✓	✓	x	✓	✓	4/5
Dame Marianne Griffiths	✓	✓	✓	✓	✓	5/5
Pete Landstrom	✓	x	x	✓	x	2/5
George Findlay	x	✓	✓	✓	✓	4/5
Karen Geoghegan	x	✓	✓	✓	✓	4/5
Jayne Black (Chief Operating Officer to 31/12/20)	✓	✓	x	On secondment from 1 Jan 2021		2/3
Carolyn Morrice	✓	✓	✓	✓	✓	5/5
Denise Farmer	✓	✓	x	x	x	2/5
Katy Jackson (Interim Chief Operating Officer from 01/01/21)	Commenced in post on 1 Jan 2021			✓	x	1/2
Clare Stafford*	✓	x	✓	x	x	2/5
Rob Haigh*	✓	✓	✓	x	x	3/5
Julie Bacon*	x	x	✓	✓	✓	3/5

* non-voting members of the Board

^Extraordinary Public Board Meeting

Due to the national guidance on public gatherings and social distancing the Public Board in June 2020 was cancelled and then subsequent meetings were undertaken by MS Teams.

Attendance at Private Board meetings 1 April 2020 to 31 March 2021

Name	Apr	Jun	Aug	Oct	Oct#	Dec^	Dec	Feb	Total
Alan McCarthy (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Patrick Boyle	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Joanna Crane	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Lizzie Peers	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Kirstin Baker**	✓	✓	✓	✓	✓	✓	✓	x	7/8
Mike Rymer	✓	✓	✓	✓	x	✓	✓	✓	7/8
Jackie Cassell	✓	✓	✓	✓	✓	✓	✓	x	7/8
Marianne Griffiths	✓	✓	✓	✓	✓	✓	x	✓	7/8
Pete Landstrom**	✓	✓	✓	✓	✓	✓	✓	✓	7/8
George Findlay	✓	✓	x	✓	✓	✓	✓	✓	6/8
Karen Geoghegan	✓	✓	x	✓	✓	✓	✓	✓	7/8
Denise Farmer**	✓	✓	✓	✓	x	✓	x	✓	6/8
Carolyn Morrice	✓	✓	✓	✓	✓	✓	✓	x	7/8
Jayne Black (Chief Operating Officer to 31/12/20)	✓	✓	✓	✓	✓	x	✓	on secondment	6/7
Katy Jackson (Interim Chief Operating Officer from 01/01/21)	Commenced in post on 1 Jan 2021							✓	1/1
Rob Haigh*	✓	✓	✓	✓	x	x	✓	✓	6/8
Clare Stafford*	x	✓	✓	✓	x	x	✓	✓	5/8
Julie Bacon*	Not in post	✓	✓	✓	✓	✓	✓	✓	7/7

Extraordinary Board of Trustees meeting

^ Extraordinary Private Board

* non-voting members of the Board

Attendance at EXTRAORDINARY Joint Private Board Meetings in Common with WSHFT meetings 1 April 2020 to 31 March 2021. (Meetings taken place to enable transactional items relating to the Merger to be progressed.)

Name	Jun	Jun	Jul	Oct	Oct*	Nov	Nov	Nov	Jan	Jan	Feb	Total
Alan McCarthy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Patrick Boyle	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Joanna Crane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Lizzie Peers*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Kirstin Baker	✓	✓	✓	x	x	x	✓	✓	✓	x	x	6/11
Mike Rymer	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	10/11
Jackie Cassell	✓	✓	✓	x	x	✓	✓	✓	✓	✓	x	8/11
Dame Marianne Griffiths	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x	9/11
Pete Landstrom	✓	✓	✓	x	x	x	✓	✓	x	✓	x	6/11
George Findlay	✓	✓	✓	✓	✓	x	✓	x	✓	✓	✓	9/11
Karen Geoghegan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Jayne Black (Chief Operating Officer to 31/12/20)	✓	✓	✓	✓	✓	x	✓	x	On secondment from 1 Jan 2021			6/8
Katy Jackson (Interim Chief Operating Officer from 01/01/21)	Commenced in post from 1 Jan 2021								✓	✓	✓	3/3
Denise Farmer	✓	✓	✓	x	x	✓	x	✓	✓	✓	✓	7/11
Carolyn Morrice	✓	✓	✓	✓	x	✓	✓	✓	✓	x	✓	9/11

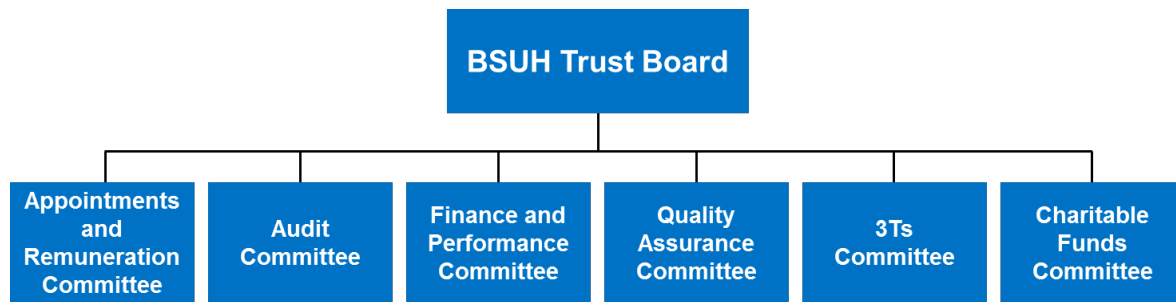
* In attendance

Complementing both the Public and Private Board meetings were a number of Board Workshops again held with BSUH to review and provide input into the transactional merger processes.

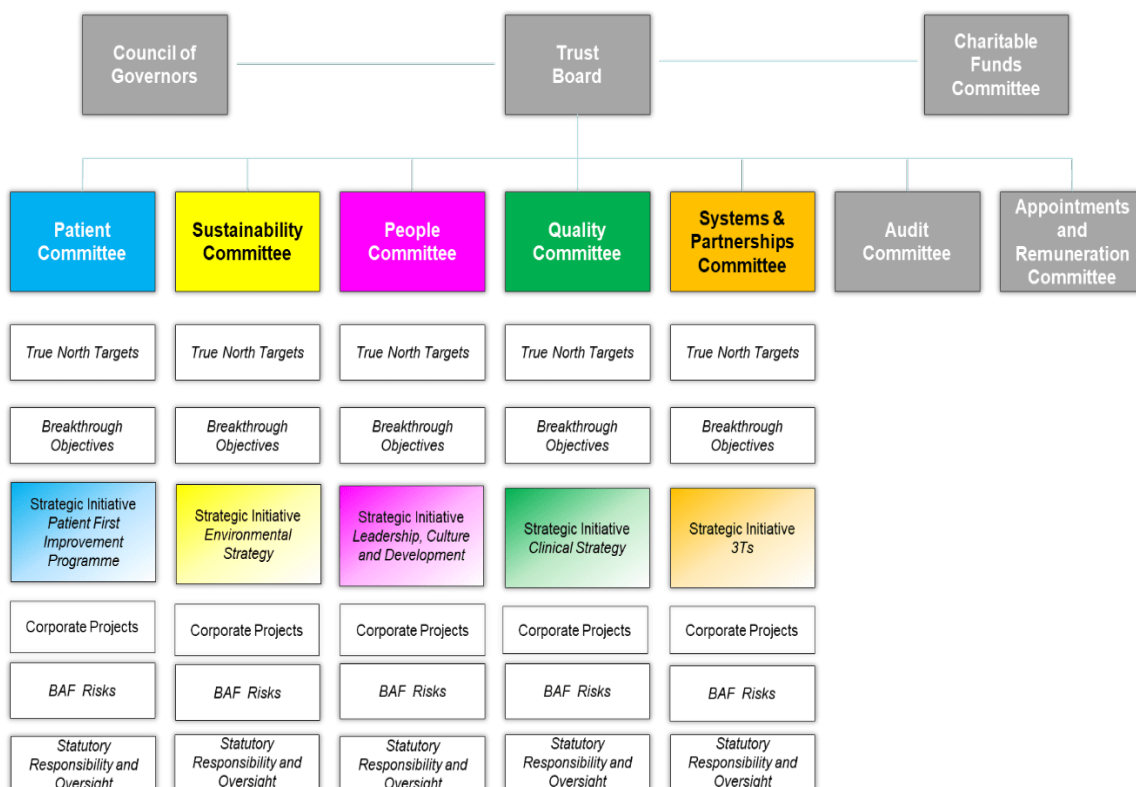
Board of Directors Committee structure

The Board Committees structure, under the Management Contract from the 1st April 2017, was designed as follows. Each committee is chaired by a Non-Executive Director, with strong Executive and Non-Executive membership and reporting directly to the Board of Directors.

The structure ensures that all governance domains and the business of the Trust are adequately assured.



During the merger planning the Boards of Brighton and Sussex University Hospitals NHS Trust and Western Sussex Hospitals NHS Foundation Trust the Boards reviewed their current Board Committee governance arrangements. Both Boards had adopted a similar structure to that shown above, with a Finance and Performance and Quality Assurance committee providing key assurance oversight on behalf of the Board. The merger review resulted in a revised Committee structure being established for 2021/22 seeing five key assurance Committees, outside that provided by the Audit Committee, being established. Each Committee is aligned to the Trusts’ five patient first pillars. Whilst each Committee retains their oversight of allocated BAF risks they will also have capacity within their respective work programmes to provide enhanced assurance to the Board over the Trust’s delivery of their stated True Norths, Breakthrough Objectives, Corporate Projects and Strategic Initiatives. The revised governance structure is shown below:-



Audit Committee

The existence of an independent Audit Committee is the central means by which the Trust Board ensures effective control arrangements are in place. The Audit Committee membership is solely made of Non-executive directors in line with the NHS Code of Governance.

The Audit Committee independently reviews, monitors and reports to the Board on the attainment of effective control systems and financial reporting processes.

Register of Members' attendance at Audit Committee meeting for the period 01 April 2020 to 31 March 2021

Name	Apr	June	Jul	Oct	Jan	Total
Kirstin Baker (Non-Executive Director and Committee Chair)	✓	✓	✓	✓	✓	5/5
Lizzie Peers (Non-Executive Director)	✓	✓	✓	✓	✓	5/5
Patrick Boyle (Non-Executive Director)	✓	✓	✓	✓	✓	5/5
Mike Rymer (Non-Executive Director)	✓	x	✓	x	✓	3/5
Joanna Crane * (Non-Executive Director)	✓	✓	x	x	✓	3/5

* not a formal member of the Committee

The Chief Financial Officer, Chief Workforce and Organisational Development Officer, Chief Operating Officer, Local Counter Fraud Services, Internal and External Auditors are regular attendees at meetings of the Committee. The Committee requests other senior Trust officers to attend for specific items. The Committee is supported by the Company Secretary.

The Trust retained its External Auditors, Ernst and Young, for the year.

The Trust does not have its own internal audit. The Trust's Internal Audit Services are provided for BDO. The Trust's Local Counter Fraud Service is maintained in-house.

The Audit Committee Agenda is based upon an agreed annual work-plan. In order to maintain independent channels of communication, the members of the Audit Committee hold a private meeting collectively with External Audit, Internal Audit and Counter Fraud ahead of each Audit Committee. This provides all parties the opportunity to raise any issues without the presence of management.

The Audit Committee is responsible to the Board for reviewing the adequacy of the governance, board assurance and risk management and internal control processes within the Trust. In carrying out this work the Audit Committee obtains assurance from the work of the Internal Audit, External Audit and Counter Fraud Services.

The Audit Committee review the financial year-end Annual Report, Annual Accounts and Annual Governance Statement with the External Auditor prior to Board approval and sign off.

The Audit Committee agrees the schedule of Internal Audit reviews and receives the reports of those audits and tracks the implementation of recommendations at each of its meetings.

Quality Assurance Committee

The Quality Assurance Committee supports the Board in ensuring that the Trust's management of clinical and non-clinical processes and controls are effective in setting and monitoring good standards and continuously improving the quality of services provided by the Trust.

Register of Members' attendance at Quality Assurance Committee meeting for the period 01 April 2020 to 31 March 2021

Name	May	Jun	July	Sep	Dec	Mar	Total
Mike Rymer (Non-Executive Director and Committee Chair)	✓	✓	✓	✓	✓	✓	6/6
Joanna Crane (Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6
Lizzie Peers (Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6
Jackie Cassell (Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6
Alan McCarthy # (Trust Chairman)	x	✓	✓	x	✓	✓	4/6
Patrick Boyle # (Non-Executive Director)	✓	✓	x	x	x	x	2/6
Kirstin Baker # (Non-Executive Director)	✓	x	x	x	x	x	1/6
George Findlay (Chief Medical Officer and Deputy Chief Executive)	✓	x	✓	✓	✓	✓	5/6
Carolyn Morrice (Chief Nurse from 28/10/2019)	✓	✓	x	✓	✓	✓	5/6
Jayne Black (Chief Operating Officer to 31/12/20)	x	✓	✓	x	x	On seco ndm ent	2/5
Katy Jackson (Interim Chief Operating Officer from 01/01/21)	Commenced on 1 Jan 2021					✓	1/1
Rob Haigh (Medical Director)	✓	✓	✓	✓	✓	✓	6/6
Anne Middleton* (Director of Quality)	✓	✓	✓	✓	✓	✓	6/6
Julie Bacon* Strategic HR Advisor)	Not in post		x	x	✓	✓	2/4

In attendance not formally a member of the Committee

*In attendance

Finance and Performance Committee

The Finance and Performance Committee supports the Board to ensure that all appropriate action is taken to achieve the financial objectives of the Trust through

regular review of financial strategies and performance, investments, and capital and estates plans and performance.

The Committee is chaired by a Non-Executive of the Trust and all Non-Executive and Executive Directors are invited to attend.

Register of Members' attendance at the Finance and Performance Committee meeting for the period 01 April 2020 to 31 March 2021

Name	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Jan	Feb	Mar	Total
Patrick Boyle (Non-Executive Director & Committee Chair)	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	10/11
Alan McCarthy # (Chairman)	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	9/11
Mike Rymer (Non-Executive Director)	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	10/11
Joanna Crane # (Non-Executive Director)	✓	✓	✓	✓	x	x	x	x	x	✓	x	5/11
Lizzie Peers* (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	10/11
Kirstin Baker (Non-Executive Director)	✓	✓	✓	x	x	✓	x	✓	✓	✓	x	7/11
Dame Marianne Griffiths (Chief Executive)	✓	x	x	✓	x	x	x	✓	✓	x	x	4/11
Karen Geoghegan (Chief Financial Officer)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
George Findlay (Chief Medical Officer and Deputy Chief Executive)	x	✓	x	✓	✓	✓	✓	x	✓	✓	x	7/11
Jayne Black (Chief Operating Officer to 31/12/20)	✓	✓	✓	✓	x	x	✓	✓	On secondment			6/8
Katy Jackson (Interim Chief Operating Officer from 01/01/21)	Commenced on 1 Jan 2021								✓	x	✓	2/3
Carolyn Morrice (Chief Nurse)	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x	9/11
Ben Stevens* (Director of Performance)	Not requested to attend for these meetings					✓	✓	✓	✓	✓	✓	6/6
Clare Stafford* (Finance Director)	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	10/11
Rob Haigh* (Trust Medical Director)	x	x	✓	✓	x	x	x	✓	✓	✓	✓	6/11

In attendance not formally a member of the Committee

* In attendance

Charitable Funds Committee

The purpose of the Charitable Funds Committee is to monitor progress and performance against the strategic direction of the Trust's charity fundraising activity as determined by the Board as corporate Trustee; to approve and monitor expenditure of charitable funds in line with specified priority requirements; and to monitor the management of the Trust's investment portfolio ensuring that the Trust at all times adheres to Charity Law and to best practice in governance and fundraising.

Register of Members' attendance at the Charitable Funds Committee meeting for the period 01 April 2020 to 31 March 2021

Name	Jul	Oct	Jan	Total
Lizzie Peers (Non-Executive Director and Committee Chair)	✓	✓	✓	3/3
Patrick Boyle (Non-Executive Director)	✓	✓	✗	2/3
Clare Stafford (Finance Director)	✓	✓	✓	3/3
Carolyn Morrice * (Chief Nurse)	✗	✓	✓	2/2
Mike Rymer ** (Non-Executive Director)	✓	✗	✗	1/3
Joanna Crane (Non-Executive Director Advisor)	✓	✓	✓	3/3

*Committee member from October 2020

** Non-members, in attendance

3Ts Committee

The purpose of the 3Ts Committee is to provide assurance on the progress of this key project.

Register of Members' attendance at the 3Ts Committee meeting for the period 01 April 2020 to 31 March 2021

Name	Apr	May	Jun	Jul	Sep	Oct	Nov	Jan	Feb	Total
Alan McCarthy (Chairman and Committee Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Kirstin Baker (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✗	✗	✓	7/9
Lizzie Peers (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✗	✓	✓	8/9
Mike Rymer * (Non-Executive Director)	✓	✓	✗	✗	✗	✗	✗	✓	✗	3/9
Patrick Boyle* (Non-Executive Director)	✓	✓	✗	✗	✗	✗	✓	✓	✓	5/9
Joanna Crane* (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Pete Landstrom (Chief Delivery and Strategy Officer)	✓	✓	✗	✗	✗	✓	✓	✓	✗	5/9

Name	Apr	May	Jun	Jul	Sep	Oct	Nov	Jan	Feb	Total	
Karen Geoghegan (Chief Financial Officer)	✓	✓	✓	✓	✓	✓	✓	✓	✗	8/9	
George Findlay (Chief Medical Officer and Deputy Chief Executive)	✗	✓	✓	✓	✓	✓	✓	✗	✓	7/9	
Gary Beacham (Interim 3Ts Director from June 2020)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	
Duane Passman (Director of 3Ts)	✓	Left the Trust in May 2020									1/9
Peter Larsen-Disney (Clinical Director of 3Ts)	✓	✓	✗	✗	✗	✗	✓	✗	✓	4/9	
Ian Arbuthnot* (Director of IM&T)	✓	✗	✓	✓	✓	✓	✓	✗	✗	6/9	
Robert Cairney* (Group Director of Capital Development & Property)	✗	✗	✓	✗	✗	✓	✗	✓	✓	4/9	
Vince Chalmers* (Associate Director of Finance)	Commenced with the Trust in January 2021							✓	✓	2/9	

* Non-members, in attendance

Appointment and Remuneration Committee

The Committee sets the terms and conditions of the Executive Directors. This Committee's membership is Non-Executive Directors only.

In attendance at meetings are the Chief Executive, Chief Workforce and Organisational Development Director and the Group Company Secretary.

During the period the Committee did not procure any external advice relating to pay and the Trust does not operate performance related pay.

2.1.3 Appointments and appraisal

The Chair and Non-Executive Directors are appointed through an NHS Improvement led appointments process.

The Chairman, other Non-Executive Directors, and the Chief Executive are responsible for deciding the appointment of Executive Directors.

The Chief Executive undertakes an appraisal on the performance of the Executive Directors, which are formally reported to the Appointment and Remuneration Committee. The Chair conducts the Chief Executive's appraisal which is reported in the same way. The Chair also undertakes the appraisal of the Non-Executive Directors while the Chair's appraisal is undertaken by the regulator, NHS Improvement.

2.1.4 Pharm@Sea Limited

Pharm@Sea Limited is a wholly owned subsidiary of the Trust and provides an Outpatient Dispensing service. As a trading company, subject to an additional legal and regulatory regime (over and above that of the Trust), this activity is considered to be a separate business segment. A significant proportion of the company's revenue is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements.

2.1.5 Statement of compliance with the NHS Constitution

The Board of Directors takes account of the NHS Constitution in its decisions and actions, as they relate to patients, the public and staff. The Board of Directors is compliant with the principles and pledges set out in the Constitution. The Trust's agreed plan was to deliver two of the Constitutional Standards relating to Cancer and Diagnostics, these were however, these were not finally achieved due to the impact of the challenges in dealing with the Covid-19 pandemic and activity being cancelled to allow resources to be directed to the treatment of Covid-19 patients.

2.1.6 Statement on Directors Disclosures

The Annual Report is required to include a statement that for each individual, who is a Director at the time the report is approved, as follows:

- So far as each Director is aware, there is no relevant audit information of the which the (external) auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors have confirmed the above statement.

2.1.7 Declarations of Interest

All Board members have declared their relationship, under the terms of a management contract, with BSUH NHS Trust as an 'Interest' in order to provide transparency on Board decision making.

The Chair has not declared any significant commitments that require disclosure, other than that highlighted above relating to BSUH NHS Trust.

The Trust holds a register of company directorships and other significant interests, held by both directors and governors, which may conflict with their management responsibilities. The Audit Committee receives an Annual Report on Board Declarations and the process to mitigate any potential conflicts.

The register of these interests is made publically available on the Trust's public website this is available <https://www.bsuh.nhs.uk/about-us/who-we-are/our-board/>

In line with a revision to the standard contract for NHS Services each Trust is required to report on the level of staff required to make an annual declaration that have made such a declaration. For 2020/21 537 of 538 of the required staff made their declaration recognising that the majority of staff made a nil return. The one member of staff who did not complete their return was leaving the Trust.

2.1.8 Fraud, bribery and corruption statement

BSUH is committed to eliminating fraud and corruption within the NHS, freeing up public resources for better patient care. To this end, the Trust employs a specialist counter-fraud service to provide a comprehensive programme against fraud and corruption which is overseen by the Trust's Audit Committee.

All anti-fraud and corruption legislation is complied with. It is a criminal offence to give, promise or offer a bribe, and to request, agree to receive, or accept a bribe. A bribe may take the form of any financial or other advantage to another person in order to induce a person to perform improperly.

Although the Bribery Act permits modest levels of gifts, hospitality and sponsorship, all staff are required to consider on an individual basis whether accepting any gifts, hospitality and sponsorship is appropriate, and should they then elect to accept it, to declare it in line with the Trust's Managing Conflicts of Interest policy.

The same principle applies to declarations of interest, i.e. staff are also required to declare any conflicts of interest they may have regarding financial or other ties to external organisations.

It is also important that all of our contractors and agents comply with our policies and procedures.

When entering into contracts with organisations the Trust follows the NHS standard terms and conditions of contract for the purchase of goods and supplies.

We ask all who have dealings with the Trust, as employees, agents, trading partners, stakeholders and patients, to help us in our fight against fraud and corruption and to contact the counter-fraud service in confidence if they have any concerns or suspicions.

We have increased our anti-fraud surveillance work during the Covid-19 period recognising the increased pressure the Trust is under and recognising the intelligence provided by the NHS Counter Fraud Authority who through the Local Counter Fraud Specialist provide regular and frequent anti-fraud bulletins.

2.1.9 Statement on social responsibility

BSUH reflects its social responsibility within the way it undertakes its business, this is from the recruitment, retention and development of our staff as noted within this report in respect of our equality, diversity and inclusion work through to way we

deliver of services making them accessible and environmentally sustainable again as detailed within this report through to our wider responsibility to work with our partners with regard to our responsibilities under safeguarding to protect our patients and their families and careers.

2.1.10 Corporate Governance Code

The Board is satisfied that it complies with the Corporate Governance Code, this view is supported by the well led inspection undertaken by the CQC as well as the views of internal and external audit.



Dame Marianne Griffiths
Chief Executive

18 June 2021

Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the Trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place, and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer.



Dame Marianne Griffiths
Chief Executive

18 June 2021

Statement of Directors' Responsibilities in Respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The Directors 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 Trust's performance, business model and strategy.

By order of the Board



Dame Marianne Griffiths
Chief Executive
18 June 2021



Karen Geoghegan
Chief Financial Officer
18 June 2021

Annual Governance Statement

1 Scope of responsibility

1.1 As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accountable Officer Memorandum*.

1.2 The Trust's Standing Orders and Scheme of Delegated Authority outline the accountability arrangements and scope of responsibility of the Board of Directors ('the Board'), Executive Directors and Trust officers.

1.3 The Board receives regular minutes and reports from each of the nominated Committees that report into it. The terms of reference of the Committees of the Board are regularly reviewed to ensure that governance arrangements continue to be fit for purpose.

1.4 The Trust works in close partnership with other Health and Social Care organisations in the area, but notably with the Brighton and Hove Clinical Commissioning Group. In addition the Trust attends the Brighton and Hove City Council, Health and Adult Social Care Overview and Scrutiny Committee.

1.5 Merger with Western Sussex Hospitals NHS Foundation Trust.

1.6 Brighton and Sussex University Hospital NHS Trust continued with the management contract arrangements with Western Sussex Hospitals NHS Foundation Trust. These arrangements commenced in April 2017 and have been extended from their initial end date of 31st March 2020 to 31st March 2021.

1.7 The Board agreed to merge with Western Sussex Hospitals NHS Foundation Trust under section 56a of the NHS Act 2006. As part of the merger preparedness the Board agreed a revised Board Governance structure seeing the Board committees aligned to the Trust's patient first domains of patient, quality, people, sustainability and systems & partnerships. This alignment will give a more efficient route for the flow of assurance from the operational areas of the Trust to the Board over the delivery of the Trust's stated objectives, vision and values.

1.8 As part of this work revised Committee terms of reference and a scheme of delegation were developed and approved by the Board. The Standing Financial Instructions for the legacy Trusts were aligned and approved in 2019. These along with the Constitution which was approved by the Board and Council of Governors for the enlarged Trust ensures there is a sound system of internal control and assurance oversight established for the enlarged Foundation Trust.

2. The purpose of the system of internal control

2.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Brighton and Sussex University Hospitals NHS 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 Brighton and Sussex University Hospitals NHS Trust for the year ended 31st March 2021 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

3.1 Trust Board

3.2 The Trust has a Risk Management Strategy and Policy, endorsed by the Board of Directors. The Board of Directors recognise that risk management is an integral part of good management practice and to be most effective should be embedded in the Trust's culture. This recognition is embodied within the Strategy and Policy as this documents the Board's risk appetite and the processes applied across the Trust which see the oversight of the Trust's key risks assigned to a Board Committee with each key risk have a named executive lead. The Board is committed to ensuring that risk management is embedded as part of the Trust's philosophy, practice and planning and is not viewed or practiced as a separate programme and that responsibility for implementation is accepted at all levels of the organisation.

3.3 The Board recognised the continued challenges facing the Trust as it manages the Covid-19 pandemic and maintained its proactive adaptation of its Board and Committee Governance processes which had commenced at the end of 2019/20. These changes have seen the continued provision of updates on Covid-19 at each Board meeting, the maintenance of through the Quality Assurance Committee meetings on the review of quality in line with the Board's risk appetite. There has been a continued use of technology to deliver both Committee and Board meetings. Supporting the Board meetings there is a regular information flow to all Board members including the Non Executives to ensure they are aware of any issues and actions taken to address these, Within the second wave of the pandemic these were enhanced with regular Board (NED) briefings from the Chief Executive complemented by wider Executive updates from the Executive Gold meetings. The information flow to the Board Members is provided from the bronze, silver and gold command structure established to oversee the development and delivery of the Trust Covid-19 incident response plan.

3.4 *Board Committees*

3.5 The Audit Committee has overall responsibility for ensuring effective risk management across the Trust. The Audit Committee receive information annually from the Trust's internal auditors and from its own review of the Trust's Board Assurance Framework and through this work supports the Board to be assured over the robustness of the Trust's application of sound risk management processes. To enable the Audit Committee to fulfil its role one Non Executive Member sits on each of the other Board Committees providing a clear link to and from the Audit Committee's oversight of the Board Assurance Framework and the work undertaken in each Committee in respect of the key risks they have assigned oversight for.

3.6 The other key Board Committees of Finance & Performance and Quality Assurance regularly receive and consider the strength of assurance reflected within the Board Assurance Framework and the actions being taken to manage risks that are outside the Board's stated risk appetite. Each Committee reports the outcome of their review of the Board Assurance Framework to the next Board meeting.

3.7 The Board has developed its Committee structure for 2021/22 with the establishment of the five patient first thematic committees of Patient, Quality, People, Sustainability and Systems & Partnerships. Each Committee will report to the Board after their meetings continuing to provide assurance aligned to the Trust Board Assurance Framework complementing the Board's Integrated Performance Report.

3.8 *Non-executive Directors*

3.9 All Committees are chaired by a nominated Non-Executive Director. The Audit Committee who play a pivotal role in providing assurance over the risk management processes of the Trust has a membership of only Non-Executive Directors. Through the Non-Executive Chairs and the Audit Committee membership all have a responsibility to challenge robustly the effective management of risk and to seek reasonable assurance of adequate control. This Non-Executive Director Committee chair membership of the Audit Committee continues into the enlarged Trust.

3.10 The Audit Committee maintains an overview of the Board Assurance Framework complementing the work of the other two Committees and through the receipt of both management assurance and assurance from Internal Audit that the underpinning risk management processes operated within the Trust remained effective.

3.11 *Chief Nurse*

3.12 The Chief Nurse is responsible for the strategic development and implementation of organisational risk management system and ensuring there is a

robust system in place for monitoring compliance with standards and the Care Quality Commission (CQC) Registration legal requirements.

3.13 The Chief Nurse is also responsible for managing patient and non-patient safety, complaints, patient experience and medical legal matters.

3.14 Chief Finance Officer

3.15 The Chief Finance Officer oversees the adoption and operation of the Trust's Standing Financial Instructions including the rules relating to budgetary control, procurement, banking, losses and controls over income and expenditure transactions, and is the lead for counter fraud.

3.16 The Chief Finance Officer and the Trust's Finance Director attend the Trust's Audit Committee, both liaise with internal audit, external audit and counter fraud services, who undertake programmes of audit with a risk based approach.

3.17 Risk Management Training and Learning

3.18 Risk management training forms part of the essential training package that all staff are required to complete. All new members of staff attend a mandatory induction covering key elements of risk management, supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend.

3.19 The Trust has established a culture of learning, through the work on the implementation of national clinical standards, the delivery of improvements flowing from local and national clinical audits and the focus on learning from all incidents. The reporting of this work flows to the Board through the work of the Quality Assurance Committee and from reports directly to the Board. This allows the Board to see the positive impact that the improvements from this learning has on the Trust's risk profile.

4 The risk and control framework

4.1 The Board of Directors has established a robust corporate governance framework which is detailed within the Annual Report section 'How the Trust is run'. The corporate governance structure is designed to ensure appropriate oversight and scrutiny and to ensure good corporate governance practice is followed.

4.2 In support of the Trust's corporate governance processes the Trust continues to apply its clinical divisional governance processes. Each Clinical Division is led by a triumvirate of a Divisional Director of Operations, a Chief of Service and a Head of Nursing. Each division reports through the Quality Governance Steering Group to the Board's Quality Assurance Committee. The Trust's Internal Auditors reviewed these revised processes in the last quarter of 2018/19 and provided positive assurance

over the effectiveness of these processes, with a follow up review in 2019/20 confirming they operated as expected.

4.3 The Trust has a Risk Strategy and Policy that was updated in 2020, with this review confirming the stated Trust's risk appetite and the Trust's processes for identifying, reporting and managing risk.

4.4 Risk management training forms part of the essential training package that all staff are required to complete. All new members of staff attend a mandatory induction event which covers key elements of risk management. The Trust provides statutory and mandatory training that all staff must attend.

4.5 Risks are raised and captured to a central risk management database known as Datix.

4.6 All staff are responsible for responding to incidents, hazards, complaints and near misses in accordance with appropriate Trust policies. Local management teams oversee local risk registers and the management and escalation, as appropriate, of risks.

4.7 The Trust has an established Board Assurance Framework (BAF), through which the Board is provided with a mechanism for satisfying itself that its responsibilities are being discharged effectively; and informs the Board where the delivery of principal objectives are at risk due to a gap in control and/or assurance.

4.8 The BAF remains aligned to the Trust's True North and Breakthrough Objectives, the operation of the BAF has been subject to review by Internal Audit who reported positively over its effectiveness to the Audit Committee during the year.

4.9 The BAF records that the Trust has been managing 13 significant risks, and at the year end the Trust had five highly scored key risks, these related to

- Being unable to deliver ongoing efficiencies and flex our resources in an agile way resulting in an increasing or unmanaged deficit and inefficient, unaffordable and unsustainable services;
- Being unable to consistently meet the health, safety and wellbeing needs of our staff as we recover and restore services in line with Covid-19 restrictions;
- Being unable to develop and maintain collaborative relationships with partner organisations based on shared aims, objectives, and timescales leading to an adverse impact on our ability to operate efficiently and effectively within our health economy;

- Being unable to define and deliver the strategic intentions, plans and optimal configuration that will enable our services to be sustainable, leading to an adverse impact on their future viability; and
- Being unable to deliver and demonstrate consistent compliance with operational and NHS constitutional standards resulting in an adverse impact on patient care and financial penalties and the Trust's reputation and the reputation of the Trust.

4.10 For each of these risks there is a detailed series of actions which will continue through 2021/22. The delivery of these actions and the impact on these risks is monitored through the appropriate oversight Committee of the Board

4.11 The Trust took action during the year which saw its BAF financially related risk reduce but the risk relating to the Trust's ability flex its resources did not reduce to the same level reflecting the level of uncertainty over the demands on the Trust to deal with the Covid-19 pandemic and the changing financial framework the NHS is subject to.

4.12 The Trust has taken a number of actions to enhance its processes to support the wellbeing of its staff. However, given the relentless pressure the pandemic has placed on the Trust's services and the prolonged period of the national incident the Trust has assessed the long term risk to staff wellbeing as increasing. The Board with the establishment of a dedicated People Committee will track the effectiveness of its plans to mitigate this risk alongside receiving direct information from staff feedback / surveys on the efficacy of the wellbeing programmes developed to support the Trust's staff.

4.13 During the year the Trust worked collaboratively with its system partners including leading on the Sussex Acute Care Network Collaborative within the Sussex Health and Social Care Partnership. This work has seen the reduction in the respective BAF risks but they remain highly scored at the year end.

4.14 In respect of the compliance with regard to the key constitutional targets the Trust took action and has prioritised the treatment of patients according to their clinical needs. Like the majority of NHS providers, the Trust has taken action to support the NHS and the Country with their measures to deal with Covid-19 which has impacted on the Trust's ability to reduce further this risk.

4.15 During 2020/21 the Trust has responded positively to the national requirements placed on it with regards to countering Covid-19. The Trust has been supported through the established bronze, silver and gold incident control processes which include a robust process for the capturing of issues and risks and the follow through on actions to mitigate these. These processes were considered by Internal Audit to be robust and effective and have placed the Trust in a strong position to adapt its

control environment to respond to the changing nature of the county's and National Health Service response to Covid-19.

Processes for Managing Cyber Security Risk

4.16 We continue to develop our relationship with NHS Digital and CareCERT, ensuring that all of our end-points are enrolled into Microsoft's Advanced Threat Protection (ATP). ATP is a security platform for intelligent protection, detection, investigation and response. The Trust also acts on every national CareCERT advisory report that we receive to ensure we learn and adapt to any national risk assessments.

4.17 The operational teams are working to remove outdated operating systems from the environment. We have a further years support from NHS Digital on our Windows estate and we continue with our migration to Windows 10. A working plan to update our server estate is also in progress working with our application managers and 3rd party support companies.

4.18 We continue with our consistent approach of improving our protection by carrying out regular penetration tests and remediation plans having previously strengthened our firewalls to the outside world.

4.19 We have partnerships working with 3rd parties to improve the Trusts security posture. This includes table top exercises, phishing campaigns and education for our staff on cyber risk.

4.20 We will have completed our deployment of Imprivata Single Sign On system, with all clinical user access now requiring 2 factor authentication coupled with the system having better auditing capabilities. Internal Audit undertook a review of the Trust's processes within this area and supported the Trust with a number of recommendations for improvement with these actions reported and tracked at the Audit Committee. We continue to undertake regular cyber audits.

Processes for assuring the Board that staffing processes are safe, sustainable and effective

4.21 There are a number of ways in which the trust ensures that short, medium and long term workforce strategies and staffing systems are in place which assures the Board that staffing processes are safe, sustainable and effective. Informed by our clinical strategy and aligned to operational and financial planning, workforce demand and supply plans are developed at specialty and divisional level and include recruitment, retention and workforce transformation and efficiency plans.

4.22 National Quality Board standards, NICE guidance, NHSE/I guidance and recommendations from Royal Colleges and the output of national taskforces on

workforce are used to inform the optimum staffing levels required to deliver high quality and safe services in an acute hospital environment. Changes to staffing profiles (numbers and skills) are subject to a Quality Impact Assessment at divisional level and reviewed by the Chief Medical Officer and Chief Nurse prior to implementation.

4.23 Through regular reporting to the Board, workforce and safer staffing reports are provided and these are triangulated against quality metrics to ensure our staffing processes are safe, sustainable and effective.

4.24 The Trust has an active Guardian for Safe Working Hours who works closely with educational and clinical supervisors to ensure that the health, wellbeing and safety of junior doctors is maintained. Well attended monthly forums are in place to address issues and concerns raised by junior doctors. The Guardian provides a regular report to the joint local negotiating forum and to the Quality Assurance Committee on matters raised and how these are being addressed.

4.25 During 2020/21, the health and wellbeing of staff has been a key priority with an extensive number of interventions to support the physical, emotional and financial health needs of our workforce. Regular updates to the Board and committees are in place and in future the Chair of the newly established People Committee will be the Trust's Wellbeing Guardian.

4.26 Daily reporting of staffing capacity, including absence, has been in place during the pandemic. A nursing workforce hub, central rota support for doctors and daily multi-disciplinary meetings were established at peak times to monitor capacity across all staff groups and manage the rapid deployment of staff where required. Reporting through the incident control structure from Bronze to Gold command, workforce risks were identified and effectively managed.

4.27 There are robust governance structures in place that oversee the efficiency and effectiveness of our staffing systems that ultimately report into the Quality Assurance and the Finance and Performance Committees of the board. Maintaining workforce capacity and capability to ensure it is safe and appropriate is a key feature of risk management at divisional and trust level.

4.28 The Trust has commenced the introduction of electronic systems to capture and collate staffing numbers and skill mix for nursing staff and has a similar mechanism partially rolled out to medical staff. Electronic systems for managing temporary workforce supply provide an additional level of assurance. The Safer Staffing Board report will remain six monthly and extend to all other clinical professions.

Processes for managing regulatory risk

4.29 The Trust's latest CQC inspection report issued in January 2019, confirms that the Trust is fully compliant with the registration requirements of the Care

Quality Commission. The Trust has an action plan to deal with the improvements suggested by the CQC and has specifically committed through a detailed action plan shared externally with the CQC and NHS Improvement to address the two areas where the CQC have identified regularity improvements are required.

4.30 The Trust continued to deploy its Patient First programme which ensures that there is a continued focus on improvement focusing on improving quality, the patient experience and ensuring the trust is sustainable, which are key to the delivery of the Trust's True North and Breakthrough Objectives.

4.31 During the period of this report the Trust regrettably had six Never Events and one Prevention of Future Deaths notification from the Brighton Coroner. Never Events and Serious Incidents are subject to a thorough internal review to identify Root Causes and learning. The Trust applied its processes for undertaking a Root Cause Analysis in respect of the Coroner notification. All Serious Incidents including Never Events were reported as required to the Clinical Commissioning Group, NHS Improvement and to NHS England. A full investigation is undertaken and the outcome and recommendations reported to the Trust Board for each serious incident

4.32 The trust has maintained and published on its website an up-to-date register of interests including gifts and hospitality, for decision-making staff within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance. This register is available on the Trust's website and records the details of the Trust senior decision makers, including Board members and Trust Directors.

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

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

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

4.36 The Trust has undertaken a six-facet building condition survey with the delivery of the agreed actions reported to the Board, including those relating to improved fire safety across the Trust.

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

5.1 The Board receives a monthly report from the Chief Financial Officer on financial performance. Financial performance is highlighted and reviewed at the Trust Executive Committee to ensure that all senior leaders have visibility on the Trust's financial position and the actions required. Financial performance is scrutinised in detail at the Finance and Performance Committee.

5.2 The Trust has maintained a robust structure for the identification and delivery of efficiency programmes. This is supported by a Programme Management Office and oversight provided by an Executive led efficiency and workforce steering group. Reports are also provided monthly to the Finance and Investment Committee. The Trust in 2020/21 has met its overall financial plan despite having to deploy significant resources to deal with Covid-19.

5.3 The Trust in 2019/20 developed a Medium Term Financial Plan for the next five years which will see it deliver a sustainable financial position within this period.

6. Information governance

6.1 In line with standing guidance from NHS Digital on the reporting and classification of Data Protection and Security Incidents, the Trust is pleased to confirm that it reported no incidents to the Information Commissioner's Office.

6.2 Each year the Trust completes and submits the Data Security and Protection Toolkit to demonstrate its compliance against the National Data Guardian's National Data Security Standards. NHS Digital has set a deadline of 30 June 2021 for submission, however the Trust made its submission before 31 March 2021 due to the pending merger with Western Sussex Hospitals NHS Foundation Trust. The Trust is pleased to confirm that this submission, following an internal audit, was agreed that all Standards have been met.

7. Quality Account

7.1 The requirement under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year has been again suspended the need for these to audited this year due to the NHS focus on Covid-19.

7.2 However the Trust established quality improvement priorities for 2020/21 and the performance against these quality priorities is reported to Quality Assurance Committee.

7.3 All service improvements are subject to robust Quality Improvement Assessments, the outcome of the initial assessment and subsequent re-assessments as the projects progress are reported to the Quality Assurance Committee who provide oversight of actions being taken in respect to any significant changes to the quality risk profile of that service improvement.

7.4 Service changes and Trust policies all include an Equality Impact Assessment which identifies any risk of individuals or groups being disadvantaged by that change or policy together with actions being taken to mitigate that risk. Such risks are captured within the Trust's risk management processes and mitigating actions are closely monitored via the Trust's divisional governance processes with any significant risks escalated to the Trust Executive Committee.

8. Data Quality and Governance

8.1 The Trust has a comprehensive suite of near real time daily reports, which allow detailed patient level review at an operational level, allowing for trend analysis. There is an established daily validation process undertaken by clinical leads for patients who exceed four hours in department, and approved by the Chief Operating Officer or the Deputy Chief Operating Officer each respective day. The Trust capture daily A&E breach information on 4 hourly site reports which are cross referenced against electronic Patient Administration System (PAS) reporting which helps ensure understanding and reconciliation of any discrepancies between daily performance (as reported via the Patient Administration system) and that observed by site management teams.

8.2 For Referral to Treatment (RTT) performance, there is a comprehensive validation process undertaken, underpinned by the patient access policy and RTT Rules Suite, whereby month end over 18 week waiters are reviewed at a care group level for their accuracy, and the validated cohort of patients are updated daily up to the point at which reporting is finalised (approximately 18th of subsequent month). This is supported by divisional and corporate weekly meetings where trends and anomalies are tracked and rectified.

8.3 For cancer patient level information is reviewed daily as part of Multi-Disciplinary Team meetings and tracking processes, captured in detail on the National Somerset system, with a range of daily updated performance and operational tracking reports to support patient pathway management.

8.4 More widely, the Trust access the national Secondary User System Clinical Data Set data quality dashboards which provide a degree of assurance around completeness of key administrative data items (patient details) broken down by main activity types (A&E, inpatient and outpatient activities) where the Trust has performed well above target level in terms of completeness of records. The data quality team proactively undertake data cleansing activities on the Patient

Administration System daily, acting on a suite of automated reports and results from the trace files sent to the national Personal Demographic Services (PDS). The data quality reports are shared with the Information Governance Group.

8.5 The Trust developed a data quality kite marking process in 19/20 which visually shows the quality of the underlying data across a number of elements, including the timeliness of the data, the strength of internal independent validation etc. This process has been applied to the key performance indicators reported to the Trust's Finance and Performance Committee which provides an easy reference point for the Committee when discussing the Trust's reported performance and the decisions it is faced with based on the Trust's reported position. The process is being expanded to True North and wider qualitative scorecards, and will influence where the Trust focusses further data quality improvements. This process was suspended during 2020/21 due to resource impact of Covid-19 information requirements, but is planned to be re-commenced during 2021/22.

8.6 The Trust adopted a Gold command business continuity plan as part of the Covid-19 response. This required a wealth of daily and weekly information to be gathered both Covid related and the indirect impact of Covid-19 on constitutional performance, with scrutiny by Silver and Gold commanders each day. This provided an extra layer of data quality assurance, triangulated with clinical services.

8.7 As part of Trust merger, the Trust has reviewed current information relating to key constitutional standards with WSHFT information teams, so as to be able to provide an aggregated view of the planned new Trust from April 2021. This has provided a further opportunity to review definitions and align methods of collection to improve consistency.

8.8 The Trust undertook Strategy Deployment Reviews (SDRs) at a divisional level in 2019/20 which allowed executive level scrutiny of performance trends which provides another layer of assurance in terms of performance (and its associated data quality). The process adopts a review of key performance metrics, whereby a drop in performance trend elicits a structured stratification of reasons for performance slippage, and mitigation and recovery actions to recover performance. This is an opportunity to cover data quality concerns alongside key operational constraints, or demand pressures. This is part of the Trust True North/Patient First governance arrangements all of which prioritise patient care, and allow the core operational priorities to be aligned and understood from board to floor. The Trust PFIS programme reviews data on a granular level to establish baselines, and monitor improvement, the scrutiny of which contributes to maintained high quality data. The SDR process was suspended for part of 2020/21 due to a focus being given by the Divisions on delivering the national Covid response, however this process will be reinstated as part of 2021/22 performance assurance process.

9. Review of effectiveness

9.1 As Accountable 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 trust who have responsibility for the development and maintenance of the internal control framework.

9.2 Head of Internal Audit Opinion

9.3 Internal audit provide an independent and objective opinion on the degree to which risk management, control and governance support the achievement of the Trust's objectives.

9.4 Based on work undertaken during 2020/21 the Head of Internal Audit has stated in their Head of Internal Audit Opinion that they “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”

9.5 In forming their opinion they took into account that, the Trust delivered a breakeven position, that the majority of core audits provided moderate or substantial assurance in the design of controls, including key audits such as key financial systems and data security and protection toolkit. Throughout all audit work completed, we raised only one high priority finding within the Cyber security report and we noted that this was in an area of known and managed risk.

9.6 Internal Audit noted there had been an impact on the Trust's timely closing of agreed action in part driven by the Trust's focus on dealing with the national pandemic. However Internal Audit did not feel this adversely impacted on their overall positive moderate opinion.

9.6 Internal Audit also reflected that the Trust has a good record in implementing internal audit recommendations. Internal Audit have confirmed that for the remaining recommendations action was in progress and these did not pose any unaddressed significant risk.

9.7 External Audit

9.8 External Audit report to the Trust on the findings from their audit work, in particular their review of the financial statements and the Trust's economy, efficiency and effectiveness in its use of resources. For 2020/21 an unqualified audit opinion has been issued in respect of the financial statements and External Audit had no matters to report by exception in respect of the Value for Money Commentary.

9.9 *Counter-fraud*

9.10 The Trust is required under Service Condition 24 of the Standard NHS Commissioning Contract to ensure appropriate counter fraud measures are in place.

9.11 The Local Counter Fraud Specialist (LCFS) adopts a risk-based approach to counter fraud work, identifying areas of potential vulnerability. Relevant local proactive exercises (LPEs) are consequently built into the Trust's annual counter fraud work plan, which is overseen by the Audit Committee. The LCFS helps to foster an anti-fraud culture within the Trust through delivery of an ongoing training programme across a wide range of staff groups. This features regular presentations on counter fraud and on compliance with the UK Bribery Act 2010. The LCFS attends each meeting of the Audit Committee to present a report on his work. The maintenance of strong systems of financial control and stewardship of public funds remains critical during the NHS response to Covid-19. The Trust has continued with its established separate coding processes for Covid-19 costs and their recovery has also been subject to review by NHSE/I.

9.12 The LCFS has not identified any significant control weaknesses during their work. Where improvements have been identified then like Internal Audit they make recommendations and the delivery of these is tracked and reported to the Audit Committee.

9.13 *Care Quality Commission*

9.14 The Care Quality Commission undertook an inspection of the Trust during 2018/19 culminating in a report being published in January 2019. The outcome of this inspection saw the Trust rated a "good" overall with care across the Trust rated as "outstanding". The CQC has undertaken a series of engagement visits to the Trust during 2020/21 and have not identified any issues that would change their 2019 opinion of the Trust.

9.15 *External Inspections*

9.16 During the year the Trust, following a visit by West Sussex Fire and Rescue Service to the Princess Royal Hospital, received a notice to make a number of improvements. The required improvements were made in line with the agreed action plans to the Trust's Fire Training and Staff Awareness processes culminating in the Fire and Rescue withdrawing their notice.

9.17 External reviews are tracked with their outcome and any associated improvement actions reported to the Quality Assurance Committee and the Trust Executive Committee.

9.18 Board Committees

9.19 The Board and its Committees form an important aspect of control and I have been advised during my review by the work of both the Audit Committee, the Finance and Performance Committee and the Quality Assurance Committee which have met across 200/21. I have also been advised by the first meetings of the Patient, Quality, People, Sustainability and Systems and Partnership Committees in 2021/22 under the Board's revised governance framework.

9.20 Finance and Performance Committee

9.21 The Finance and Performance Committee which is chaired by a Non-Executive Director provides me and the Board with a flow of assurance over the effectiveness of the established systems of internal financial control and the systems of internal control supporting operational performance delivery and reporting.

9.22 During the year the Committee has received regular reports on the Trust's financial position, the management of its cash position and the delivery of the Trust's capital programme, along with the delivery of the Trust's efficiency programme and reports covering workforce, procurement and IM&T. The Committee also received regular reports on the delivery of the Trusts performance measures and has received a series of more in depth reports covering specific aspects of performance.

9.23 These reports have supported the Committee in its assurance flow to the Board that these key risks have been managed well during the year.

9.24 Quality Assurance Committee

9.25 The Quality Assurance Committee which is chaired by a Non-Executive Director provides me and the Board with a flow of assurance over the effectiveness of the established systems of internal control in respect of management of key quality risks.

9.26 During the year the Committee has received regular reports on the Trust's quality performance and quality risks, learning from complaints and investigations into untoward incidents along with regular reporting on the outcomes from clinical audits. The Committee have supported the assurance flow to the Board that quality key risks have been managed during the year especially that there have been no significant patient safety matters arising within the areas where the Trust is poorly performing, these being against the 4 hour emergency access standard, the 18 weeks referral to treatment standard and the cancer pathway standards.

9.27 3Ts Committee

9.27 The Trust has established a 3Ts Oversight and Assurance Committee, which is chaired by the Trust Chairman provides me and the Board with a flow of assurance over the delivery of this significant project.

9.29 The Committee has received regular reports from the 3Ts Director and from the Trust's external advisors. These reports have supported the Committee with its reporting of assurance to the Board across the year.

9.30 Board Assurance Framework

9.31 During the year covered by this report a revised Board Assurance Framework reporting framework has been implemented which has seen a structured flow of assurance reporting to the Board on the controls managing the Trust's key risks to the delivery of the Trust's identified True North and associated breakthrough objectives. This process plays a key role in articulating where gaps in control exist and the tracking of devised actions to mitigate these.

9.32 Wider processes

9.33 My review is also informed by, the Trust's processes for:

- monitoring the delivery of improvements flowing from the receipt of the outcome of the Annual Staff Survey
- monitoring the delivery of improvements from the learning identified from complaints and the investigation of serious incidents
- tracking the outcomes from the programme of work undertaken by internal and external auditors as well as Counter Fraud
- monitoring the delivery of improvement flowing from reviews undertaken by external bodies
- delivering improvements from the outcomes of external assurance visits including the national Getting It Right First Time reviews across many of the Trust's services.

9.34 These process culminate in reporting to the Board through the revised Divisional and Executive governance processes on the state of the Trust's systems of internal control.

9.35 I have drawn on the information provided in this annual report along with that outlined above 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

10. Conclusion

10.1 I have considered the factors described in the NHS Improvement guidance on the 2020/21 annual governance statement in respect of significant issues.

10.2 Whilst during the period 1st April 2020 to 31st March 2021 and up to the time of signing the accounts I have identified challenged areas with respect to the consistent achievement of Trust priorities I have not identified any significant internal control issues as defined as such within the NHS Annual Reporting Guidance issued by NHS Improvement.

10.3 Oversight of the Trust's management of these challenges continues at the Board and through its Committees with each being assured that the Trust has established and adapted these, as appropriate whilst dealing with the Covid-19 challenges, to ensure there remain adequate systems of internal control and where control improvements are identified that these are delivered in line with agreed action plans.

10.4 Although the Trust has delivered its Financial Plan for the last 3 years I recognise there remains significant work to continue to deliver a financially sustainable Trust and for the Trust to meet consistently all of the constitutional targets the Board recognises that these are dependent on the successful delivery of the whole 3Ts programme. These actions have been incorporated into the Trust's Medium Term Financial Plan.

Signed: 
Date: 18 June 2021

Dame Marianne Griffiths
Chief Executive

3 REMUNERATION AND STAFF REPORT

3.1 Annual statement on remuneration

It is the responsibility of the Appointment and Remuneration Committee of Non-Executive Directors to oversee the pay arrangements of Executive Directors, details of the Committee can be found within the 'How the Trust is Run' section of this report.

BSUH Trust is being operated under the terms of a management contract with Western Sussex Hospitals NHS Foundation Trust employment contracts of all Executive Directors are held by Western Sussex Hospitals NHS Foundation Trust.

3.2 Senior Managers remuneration policy

All Directors performance is subject to an annual appraisal, the outcome of which is reported to the Appointment and Remuneration Committee by the Chief Executive. This is prior to any decision being made on Executive remuneration.

For the Chief Executive Officer, their appraisal is undertaken by the Chair of the Trust with a report then submitted to the Committee.

The annual appraisal method is chosen as it is an effective way to assess performance against a range of performance targets and leadership responsibilities and includes feedback from Non-Executive Directors and peers as part of a 360-degree feedback process.

In coming to any decision on remuneration, the Committee takes account of the circumstances of the Trust, the size and complexity of the role, any changes in the Directors portfolio, the performance of the individual and any appropriate national guidance. Senior managers are remunerated based on these decisions.

In considering Senior Managers pay the Committee took note of national benchmark data provided by NHS Providers and the requirement to consider any pay above a threshold of £150,000 as per cabinet office guidance.

3.3 Future policy table

Please see in the following table details of the components of the remuneration package for senior managers. This is made up of:

Components of Senior Managers remuneration:
Base Salary
Performance related pay (where appropriate).

Base salaries are set in line with market information and are designed to ensure

retention, or recruitment, of the calibre and experience required to deliver the aims of the Trust. Salaries are revised annually and uplifted only if:

- There is demonstrable evidence that an uplift is required to keep in line with the market
- A change in portfolio necessitates an uplift

The performance related pay scheme is based on the NHS Pay framework for Very Senior Managers. The Appointment and Remuneration Committee would, annually, consider whether the overall performance of the Trust warrants consideration of a performance related element being paid and if so the parameters of such an award.

3.4 Service contracts obligations and Policy on payment for loss of office

HM Treasury has issued specific guidance on severance payments within 'Managing Public Money' and special severance payments when staff leave requires Treasury approval.

All contracts are permanent with no fixed end date. There are no contractual provisions for payments on termination of contract.

3.5 Statement of consideration of employment conditions elsewhere

In considering any decision on remuneration the Committee takes note of both the organisational and national context.

3.6 Pay multiples (subject to audit)

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

The banded remuneration of the highest paid director in the financial year 2020/21 was £290k-295k (2019/20: £300k - £305k). This was 11 times (2019/20: 12) the median remuneration of the workforce, which was £26.3k (2019/20: £25.5k).

In 2020/21, no employees (2019/20: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £18k to £221k, excluding directors (2019/20 £16k to £293k).

The banded salary referenced above includes the total remuneration paid for roles undertaken at Western Sussex Hospitals and Brighton and Sussex University Hospitals. Taking into account only that part of the Director remuneration that relates to Brighton and Sussex University Hospitals, the banded remuneration of the highest paid director is £145-150k. This was 6 times the median remuneration of the workforce and in 2020/21, 87 employees received remuneration in excess of this.

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.

3.7 Salary and Pension entitlements of senior managers (subject to audit)

The Trust entered into a management contract with Western Sussex Hospitals NHS Foundation Trust from 1 April 2017. The Executive Team and Chairman of Western Sussex Hospitals NHS Foundation Trust are also the Executive Team and Chairman of the Trust. The disclosure below shows the full salary and the proportion of salary attributable to the Trust in table 1 and table 2 (tables 3 and 4 show prior year comparators)

Expenses incurred by Non-Executive Directors have not been apportioned between the two organisations.

Trust Executive and Non-Executive Directors 2020/21 – Table 1

	Salary Bands of £5,000 a	Total expenses Nearest £100 b	Bonus Bands of £5,000 c	L/term bonus Bands of £5,000 d	Pension Benefit* Bands of £2,500 e	Total Bands of £5,000 f	Brighton and Sussex University Hospitals Remuneration Bands of £5,000 g
Marianne Griffiths Chief Executive	270 - 275	14	20 - 25	-	25 - 27.5	320 - 325	145 - 150
George Findlay Chief Medical Officer	215 - 220	8	-	45 - 50	57.5 - 60	325 - 330	130 - 135
Karen Geoghegan Chief Financial Officer	190 - 195	-	5 - 10	-	82.5 - 85	280 - 285	100 - 105
Denise Farmer Chief Workforce Officer	125 - 130	58	5 - 10	-	-	135 - 140	65 - 70
Peter Landstrom Chief Delivery and Strategy Officer	160 - 165	39	5 - 10	-	32.5 - 35	200 - 205	85 - 90
Carolyn Morrice Chief Nurse	155 - 160	2	-	-	145 - 147.5	305 - 310	155 - 160
Jayne Black Chief Operating Officer	160 - 165	-	-	-	0 - 2.5	160 - 165	160 - 165
Alan McCarthy Chairman	70 - 75	4	-	-	-	70 - 75	10 - 15
Patrick Boyle Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15
Joanna Crane Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15
Elizabeth Peers Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15
Michael Rymer Non-Executive Director	10 - 15	3	-	-	-	10 - 15	10 - 15
Kirstin Baker Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15
Jacqueline Cassell Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15

Column (f) above includes an amount in respect of the increase in pension entitlements (column (e)) of each senior manager. It compares the projected pension and lump sum at the end of the financial year with the equivalent figures at the start of the year, adjusted for inflation and deducting employees' pension contributions. The pension element of the calculation assumes that the individual will receive a pension for a twenty-year period.

The figures for ‘all pension-related benefits (e)’ do not constitute a charge to the Trust’s Statement of Comprehensive Income or a taxable benefit for the senior managers. The Trust’s contribution to directors’ pensions was 14.38% of salary for 2020-21 (14.38% in 2019-20).

In summary, the figures calculated in the “All pension related benefits” column take into account several factors, the principal one being the total maximum income that the person would receive covering the following 20-year period if they retired at the end of the financial year in question.

The total included within column (f) is skewed as this includes the annual increase in cumulative pension entitlement, and not the total payments made to senior managers during the financial year.

Proportion of shared executive salary / cost attributable to the Trust 2020/21 – Table 2

	Salary Bands of £5,000	Total expenses Nearest £100	Bonus Bands of £5,000	L/term bonus Bands of £5,000	Total Bands of £5,000
Marianne Griffiths Chief Executive	135 - 140	7	10 - 15	-	145 - 150
George Findlay Chief Medical Officer	105 - 110	4	-	20 - 25	130 - 135
Karen Geoghegan Chief Financial Officer	95 - 100	-	0 - 5	-	100 - 105
Denise Farmer Chief Workforce Officer	60 - 65	29	0 - 5	-	65 - 70
Peter Landstrom Chief Delivery and Strategy Officer	80 - 85	19	0 - 5	-	85 - 90
Carolyn Morrice Chief Nurse	155 - 160	2	-	-	155 - 160
Jayne Black Chief Operating Officer	160 - 165	-	-	-	160 - 165
Alan McCarthy Chairman	10 - 15	1	-	-	10 - 15

Trust Executive and Non-Executive Directors 2019/20 – Table 3

	Salary Bands of £5,000 a	Total expenses Nearest £100 b	Bonus Bands of £5,000 c	L/term bonus Bands of £5,000 d	Pension Benefit* Bands of £2,500 e	Total Bands of £5,000 f	Brighton and Sussex University Hospitals Remuneration Bands of £5,000 g
Marianne Griffiths Chief Executive	265 - 270	76	20 - 25	-	17.5 - 20	320 - 325	150 - 155
George Findlay Chief Medical Officer	190 - 195	272	-	45 - 50	2.5 - 5	270 - 275	130 - 135
Karen Geoghegan Chief Financial Officer	190 - 195	7	5 - 10	-	42.5 - 45	245 - 250	100 - 105
Denise Farmer Chief Workforce Officer	145 - 150	112	5 - 10	-	-	160 - 165	80 - 85
Peter Landstrom Chief Delivery and Strategy Officer	155 - 160	59	5 - 10	-	25 - 27.5	195 - 200	85 - 90
Nicola Ranger Chief Nurse (to 30th June 2019)	45 - 50	48	5 - 10	-	Not available	60 - 65	30 - 35
Clare Williams Chief Nurse (1st July 2019 - 27th October 2019)	40 - 45	5	-	-	Not available	40 - 45	40 - 45
Carolyn Morrice Chief Nurse (from 28th October 2019)	65 - 70	2	-	-	Not available	65 - 70	65 - 70
Jayne Black Chief Operating Officer	155 - 160	1	5 - 10	-	185 - 187.5	350 - 355	160 - 165
Alan McCarthy Chairman	70 - 75	23	-	-	-	70 - 75	10 - 15
Patrick Boyle Non-Executive Director	5 - 10	-	-	-	-	5 - 10	5 - 10
Joanna Crane Non-Executive Director	5 - 10	1	-	-	-	5 - 10	5 - 10
Elizabeth Peers Non-Executive Director	5 - 10	2	-	-	-	5 - 10	5 - 10
Michael Rymer Non-Executive Director	5 - 10	5	-	-	-	5 - 10	5 - 10
Kirstin Baker Non-Executive Director	5 - 10	-	-	-	-	5 - 10	5 - 10
JA Cassell Non-Executive Director	0 - 5	-	-	-	-	0 - 5	0 - 5
Malcolm Reed Non-Executive Director	0 - 5	-	-	-	-	0 - 5	0 - 5

Proportion of shared executive salary attributable to the Trust 2019/20 - Table 4

	Salary Bands of £5,000	Total expenses Nearest £100	Bonus Bands of £5,000	L/term bonus Bands of £5,000	Total Bands of £5,000
Marianne Griffiths Chief Executive	130 - 135	38	10 - 15	-	150 - 155
George Findlay Chief Medical Officer	95 - 100	136	-	20 - 25	130 - 135
Karen Geoghegan Chief Financial Officer	95 - 100	4	0 - 5	-	100 - 105
Denise Farmer Chief Workforce Officer	70 - 75	56	0 - 5	-	80 - 85
Peter Landstrom Chief Delivery and Strategy Officer	75 - 80	29	0 - 5	-	85 - 90
Nicola Ranger Chief Nursing Officer	20 - 25	24	0 - 5	-	30 - 35
Jayne Black Chief Operating Officer	155 - 160	1	-	-	160 - 165
Alan McCarthy Chairman	10 - 15	5	-	-	10 - 15

Pension benefits include benefits accrued as a result of total pension in the pension scheme and not just service in a senior capacity to which disclosure applies. Pension benefits are not therefore able to be split between the Trust and Western Sussex Hospitals NHS Foundation Trust.

Pension Entitlements as at 31st March 2021

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021 (nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2020 (nearest £1,000)	Real increase in Cash Equivalent Transfer Value (nearest £1,000)	Employer's contribution to Stakeholder Pension
Marianne Griffiths Chief Executive	2.5 - 5	7.5 - 10	55 - 60	165 - 170	0	1,288	0	Nil
George Findlay Chief Medical Officer	2.5 - 5	-	70 - 75	135 - 140	1,361	1,249	91	Nil
Karen Geoghegan Chief Financial Officer	2.5 - 5	0 - 2.5	70 - 75	155 - 160	1,377	1,269	86	Nil
Denise Farmer Chief Workforce Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Landstrom Chief Delivery and Strategy Officer	2.5 - 5	-	35 - 40	60 - 65	523	479	37	Nil
Carolyn Morrice Chief Nurse	5 - 7.5	20 - 22.5	50 - 55	155 - 160	1,139	942	181	Nil
Jayne Black Chief Operating Officer	0 - 2.5	0 - 2.5	60 - 65	185 - 190	1,501	1,439	38	Nil

Pension Entitlements as at 31st March 2020

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019 (nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2018 (nearest £1,000)	Real increase in Cash Equivalent Transfer Value (nearest £1,000)	Employer's contribution to Stakeholder Pension
Marianne Griffiths Chief Executive	2.5 - 5	7.5 - 10	50 - 55	155 - 160	1,288	1,169	91	Nil
George Findlay Chief Medical Officer	0 - 2.5	-	65 - 70	135 - 140	1,249	1,183	38	Nil
Karen Geoghegan Chief Financial Officer	2.5 - 5	-	65 - 70	150 - 155	1,269	1,169	72	Nil
Denise Farmer Chief Workforce Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Landstrom Chief Delivery and Strategy Officer	2.5 - 5	-	30 - 35	60 - 65	479	437	31	Nil
Nicola Ranger Chief Nurse	Not available	Not available	50 - 55	155 - 160	1,155	Not available	Not available	Nil
Clare Williams Chief Nurse	Not available	Not available	5 - 10	-	74	Not available	Not available	Nil
Carolyn Morrice Chief Nurse	Not available	Not available	40 - 45	130 - 135	942	Not available	Not available	Nil
Jayne Black Chief Operating Officer	7.5 - 10	25 - 27.5	60 - 65	180 - 185	1,439	1,171	240	Nil

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Staff Report

3.8 Diversity and inclusion policies, initiatives and longer term ambitions

The Trust recognises that its workforce and patients are core to achieving its business and social responsibilities. Our vision is for equality, diversity and inclusion to be a 'golden thread' running through, and central to, how we work together to provide sustainable, high-quality patient-centred care for all people we serve.

As one of the largest employers in the area and a major public sector service provider, the Trust is duty bound by legislation to ensure everyone receives a fair and equitable service. Our Equality, Diversity and Inclusion policies and practices are all aimed to support our vision where regardless of their connection with our organisation, everyone has a lived experience which is free from discrimination, harassment and abuse.

We take our duties and responsibilities as an inclusive employer in the public sector, and more specifically in the NHS, very seriously. As a public sector organisation extra care is taken to monitor decisions that could unfairly affect any particular protected characteristic of staff, carers, volunteers, patients and their families.

In the last year, the impact of the global coronavirus pandemic has been significant both on the way in which services are delivered and accessed but also on our workforce.

To meet the demands of the pandemic, the Trust implemented a number of changes, some of these are as follows:-

- Improving the risk assessment process, for both departments and individuals to enable effective judgements on the best way to protect both our staff and services. This process also enables those at higher risk to be identified and to take appropriate actions to ensure health and safety is protected. These processes were continuously strengthened throughout the pandemic.
- Introducing a risk assessment advisory panel - an independent panel reviewing complex individual risk assessment and providing advice and solutions to issues highlighted.
- Commissioning of more SignLive British Sign Language services, allowing BSL users to communicate with hospital staff effectively
- Widespread use of 'virtual clinics' both telephone and video conferencing
- Widespread use of working from home for those who could do so and/or where this was the safest option available
- Significantly reducing travelling across sites through the use of MS Teams

- Expanding the provision of staff health and wellbeing services (emotional, physical and financial) that were widely promoted and uptake encouraged. This ranged from comfort packs, pop-up shops and hotel accommodation to Employee Assistance programmes with emotional and financial support.
- Establishing a bronze, silver and gold Covid-19 command centre - to take trustwide decisions on issues affecting capacity and flow in services.
- Establishing a Covid-19 Workforce hub - to help address questions and resourcing of departments.

Staff Policies applied in respect of Equality, Diversity and Inclusion

Our Equality, Diversity and Inclusion Policy applies to all staff including our Executive Board members and is equally applied to our Non-Executive Board members. This policy is wide-ranging and aims to protect employees from discrimination and harassment while promoting equal opportunity and the value of diverse cultures and backgrounds within the workforce.

The Trust's Equality, Diversity and Inclusion Policy sets out the Trust's aims and goals. A copy of the policy can be found on the Trust website.

To achieve these aims the Trust is committed to:

- Promoting equality of opportunity for all;
- Promoting an inclusive environment in which all persons are treated with respect;
- Fulfilling all of its legal obligations under the equality legislation.

The Trust is committed to addressing longstanding issues of equality and inclusion shared across the wider NHS and public sector, and the particular challenges and opportunities within BSUH. This is managed through the Leadership, Culture and Workforce (LCW) programme, which was established in 2017/18 and had been led by the Trust's Chief Executive, Dame Marianne Griffiths.

The Trust Annual Workforce Race Equality Report 2020, can be found at and covers the period April 2019 to March 2020, and provides the most recent and comprehensive analysis of the Trust equality data. Data for April 2020 to March 2021 will be published later during 2021/22. The 2020/21 Annual Report provides some key data against four of our nine Protected Characteristics.

Sexual Orientation and Trans Status (Gender Identity/Reassignment)

BSUH has an active LGBTQ+ (Lesbian, Gay, Bisexual, Trans/Non-Binary, Queer/Questioning) Employee Network. Due to the Covid-19 Pandemic BSUH did not participate in the Stonewall Workplace Equality Index – however the intention is to undertake this during year 2021/22.

The proportion of LGB+ staff (the national NHS Electronic Staff Record (ESR) does not currently monitor Trans status) has increased to 8% above the NHS Acute Trust average (based on data provided by NHS Digital)

Disability

The proportion of Trust staff declaring (at least one) disability from within the Trust is 6.3%.

BSUH now has an active Disability Staff Network (DSN) and they have engaged and supported the Trust with the implementation of our Health Passport.

BSUH has maintained its Level 2 Disability Confident Employer rating. Key features which are reflected in Trust HR policies and operational processes, include the guarantee of an interview for applicants with a disability who meet the minimum ('essential') eligibility criteria for the role. Staff who become disabled during their employment are supported as necessary through Trust employment policies including the Equality, Diversity and Inclusion Policy; Health & Wellbeing Policy; and the Disability and Reasonable Adjustments Guidelines.

The Trust continues to have an active programme of work to respond to the national Workforce Disability Equality Standard (WDES). Further information about the standard can be found on NHS England's website:

<https://www.england.nhs.uk/about/equality/equality-hub/wdes>

BSUH performance for 2020/21 against the 10 WDES metrics will be included in the Annual Equality Report 2020 and can be found on <https://www.bsuh.nhs.uk/about-us/equality-diversity-and-human-rights/edi/>

Race

BSUH continues to have an active programme of work to respond to the national Workforce Race Equality Standard (WRES). The Trust WRES data for 2020 is published as part of the Annual Equality Report for 2020/21, the link to our report can be found via <https://www.bsuh.nhs.uk/wp-content/uploads/sites/5/2016/09/WRES-Report-2020.pdf>

BSUH now has an active Black Asian and Minority Ethnic (BAME) network named SOAR – relating to the ideals of the network **S**afe Space, **O**pportunities, **E**quity and **E**mpowerment and a platform to **A**mplify Voices, **R**edress the balance. The Network is working to increase its representation across the Trust and provides a safe space to discuss issues relating to 'lived experiences' and through these they are working with the organisation with its recruitment procedures, policies and reducing disparities with the B.A.M E workforce

BAME Covid-19 Volunteers

This Staff group was set up to support Black, Asian and Minority Ethnic (BAME) colleagues throughout the organisation regarding issues directly relating to them regarding Covid-19. Support is provided to colleagues relating to Covid-19 and these volunteers provide a listening ear, signposting where appropriate and work with the Freedom to Speak Up Guardian and the Inclusion Team.

3.9 Our People

BSUH NHS Trust is the proud employer of almost 9,000 people. Each and every one of those people enables us to provide high quality care to the people of Brighton and Hove and East and West Sussex. Below is an analysis of our staff one a whole time

equivalent basis rather than the number directly employed, the column other relates to staff who work for the Trust through our internal staff back.

Staff costs (subject to audit)

	Group		2020/21	2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	353,462	-	353,462	318,736
Social security costs	34,729	-	34,729	32,424
Apprenticeship levy	1,654	-	1,654	1,554
Employer's contributions to NHS pension scheme	56,353	-	56,353	53,218
Temporary staff	-	17,163	17,163	15,829
Total gross staff costs	446,198	17,163	463,361	421,761
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	446,198	17,163	463,361	421,761
Of which				
Costs capitalised as part of assets	927	1,067	1,994	980

Average number of employees (WTE basis) (Subject to audit)

Average number of employees (WTE basis)

	Group		2020/21	2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	1,310	18	1,328	1,251
Ambulance staff	20	-	20	17
Administration and estates	2,084	138	2,222	2,181
Healthcare assistants and other support staff	432	16	448	429
Nursing, midwifery and health visiting staff	3,182	497	3,679	3,595
Scientific, therapeutic and technical staff	466	17	483	454
Healthcare science staff	288	1	289	291
Other	-	-	-	2
Total average numbers	7,782	687	8,469	8,220
Of which:				
Number of employees (WTE) engaged on capital projects	15	17	32	15

Number of senior managers by pay band

	WTE	Heads
AFC Band 8a	235	257
AFC Band 8b	106	112
AFC Band 8c	39	40
AFC Band 8d	20	21
AFC Band 9	16	16
VSM	8	10
Total	424	456

3.10 Gender and Gender Pay Gap Report

At the end of the March 2021, the makeup of the Trust by gender was

Gender Split (Headcount) – Executive Directors, Non-Executive Directors

	Female	%	Male	%
Non-executive directors	4	57	3	43
Executive directors	5	71	2	29

Gender Split (WTE) – Senior Managers & All Staff

	Female %	Male %
Senior Manager Band 8a to 8d	63.0	37.0
Band 9 and VSM	46.1	53.9
All Other Staff	69.1	30.9
Total	68.7	31.3

The proportion of female Senior Managers at Band 8a-8d has reduced slightly: from 67.0% as at 31st March 2020 to 63.0% as at 31st March 2021. The gender split across the workforce as a whole remains unchanged: from 69.0% female in March 2020 to 68.7% female in March 2021.

Our latest Gender Pay Gap report 2020, highlights that the difference in Mean hourly pay for all our Male and Female staff is 16.3% - this is an improvement from last year's reported difference of 17%. If we look at Agenda for Change (Mean) for Male and Female the difference is the same as last year's -3.8%, whilst the Mean for Medical Staff, Male and Female is 11.5% this is down from 15.1% last year.

Over the last year changes to how Clinical Excellence Awards have been awarded has seen a significant difference in the amount of monies being awarded, and a lessening in the gap between Male £1,457 and Female £899. Work is still on-going to make the process fairer for all those who participate, we saw a very slight decrease in the proportion of Females who received the bonus down from 8.7% to 8.6%.

- The main focus over the coming year is to have a Joint Gender Pay Working Group covering both East and West of our organisation – which will be led by relevant stakeholder, including the Trust's Medical Directors.
- Review how the Trust manages women's career progression after an employment break, maternity break etc
- Monitor application of Trust policies such as flexible work.

The differences in pay for BSUH staff would appear to be due to the choices they make, with regards to who takes time to look after family members, younger and older, those who choose to work part-time as opposed to discriminatory practices within the organisation. We will continue to monitor, but also highlight regularly to our workforce the benefits of all looking to a more flexible way of working

All large employers are required to publish the pay and comparison of differences in pay for men and women. This helps to demonstrate on an organisational level if there are any disparities and inequalities.

The Trust's information on the gender pay gap can be found on our website at <https://www.bsuh.nhs.uk/wp-content/uploads/sites/5/2021/04/Gender-Pay-Gap-Report-2020-v2.pdf>

Also further information on gender pay gap can be found on the cabinet office website - <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

3.11 Sickness absence

Sickness absence has continued to be monitored and appropriately managed throughout the year, although at the beginning of the year management of such issues were relaxed in response to the first wave of the pandemic. Sickness rates are reported monthly as a percentage of absence in month and as a 12 month rolling rate. This highlights the seasonal fluctuations that occur month on month but also whether improvement is being made.

During 2020/21, the 12 month rolling rate has increased by 0.62% to 5.08%. This is split 0.64% due to Covid-19 and 4.44% other. With Covid excluded, sickness absence is actually 0.02% down on last year (4.44% vs 4.46%). The percentage of short term sickness increased by 0.09% to 2% and long term sickness also increased by 0.53% to 3.08%.

Over the past year Sickness absence has reduced by 0.2% to 4.4% for Admin & Clerical, and held at 4.3% for Scientific, Therapeutic & Technical. Growth has been seen in Medical (up 0.5% to 1.7%), Nursing (up 1.1% to 6.1%) and Ancillary support (up 1.7% to 9.4%).

Further information can be obtained using the link <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

The health and wellbeing and impact on staff absence will continue to be a priority for 2021/22. Interventions and programmes will continue to be in place to support staff as they recover from the impact of the pandemic.

3.12 Staff Turnover

Staff Turnover in the Trust has reduced this year by 1.9% to 10.2%. There have been improvements in all staff groups with the exception of the medical staff group. It is, however, notable that this is the lowest turnover rate that the Trust has achieved since August 2012.

Noting the potential impact of the pandemic on staff retention in the longer term, staff turnover will continue to be one of the key performance indicators used to measure of the success of our strategies.

Further information can be obtained at [NHS workforce statistics - NHS Digital](#)

3.13 Expenditure on Consultancy

The Trust spent £0.2m on external consultancy in 2020/21. This compares to £0.4m in 2019/20.

3.14 Off-payroll engagements

As an organisation subject to Her Majesty's Treasury (HMT) Guidance '*Managing Public Money*', BSUH NHS Trust has a responsibility in safeguarding public interest.

In May 2012, HMT carried out a review on the tax arrangements of senior public sector appointees. The aim of the review was to ascertain the extent of arrangements which could allow public sector appointees to minimise their tax payments and make appropriate recommendations to address the problem.

The Trust operates a policy covering off payroll engagements. This policy provides guidance to ensure compliance with HMT's recommendations on tax arrangements for the following public-sector appointees:

- Board members
- Senior officials with significant financial responsibility
- Engagements for more than a daily rate of £245

All existing off-payroll engagements have been subject to a risk-based assessment of whether evidence is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

There were no off-payroll engagement for more than £245 per day, between 1st April 2020 and 31st March 2021.

There were no off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1st April 2020 and 31st March 2021.

3.15 Exit Packages (subject to audit)

For the year ended 31st March 2021 there were the following exit packages.

Reporting of compensation schemes - exit packages 2020/21

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<£10,000	1	-	1
Total number of exit packages by type	1	-	1
Total cost (£)	£9,000	£0	£9,000

Reporting of compensation schemes - exit packages 2019/20

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
£10,000 - £25,000	2	-	2
£25,001 - 50,000	1	-	1
Total number of exit packages by type	3	-	3
Total resource cost (£)	£66,000	£0	£66,000

3.16 Secondments

Throughout the year the Trust supported 13 staff with their career development through secondments to other organisations. For these staff the Trust was reimbursed their salaries. There were no staff seconded for which the Trust received no reimbursement.

In addition, there were 8 staff seconded into the Trust for which the Trust reimbursed their employers for their remuneration. There were no staff seconded to the Trust for which we made no salary reimbursement.

In addition to career secondments, the Trust currently has 19 air ambulance staff who are redeployed through secondments to Kent Surrey Sussex Air Ambulance Service and for which the Trust receives their appropriate salary reimbursement.

3.17 Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017, took effect from 1st April 2017. These regulations were laid following the enactment of the Trade Union (TU) Act 2016. The Trade Union Act was passed in May 2016; one of the elements of this Act is the requirement for employers in the public sector to publish information on facility time.

The purpose of these regulations is to promote transparency and allow for public scrutiny of facility time through the requirement of organisation's to collect and publish, on an annual basis, a range of data in relation to their usage and spend of TU facility time in respect of their employees who are TU representatives.

Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties. There is no such entitlement to paid time off for undertaking activities.

The facility time (FT) data that organisations are required to collate and publish under the 2017 regulations are:

- Number of employees who were relevant union officials during the relevant period
- How many employees who were relevant union officials during the relevant period spent a)0%, b)1 – 50%, c) 51-99% or d)100% of their working hours on facility time
- Percentage of the total pay bill spent on facility time
- Time spent on paid trade union activities as a percentage of total paid facility time hours

The Trust is required to publish this information on its website by the 31st July each year, our information will be uploaded within that timeframe. *Below is the Trust's latest information, which is for 2019/20.*

TRADE UNION FACILITY TIME REPORTING

1st April 2019 – 31st March 2020

Table 1 – Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
2019-20 (2018-19)	2019-20 (2018-19)
55 (58)	49 (52)

Table 2 – Percentage of time spent on facility time

How many employees who were relevant union officials employed during the relevant period spent their working hours on facility time	
Percentage of time	Number of employees
	2019-20 (2018-19)
0%	0 (0)
1%-50%	55 (58)
51%-99%	0 (0)
100%	0 (0)

Table 3 – Percentage of pay bill spent on facility time

The percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period 2019-20 (2018-19)	
Total cost of facility time	£33,945.81 (£33,368.86)
Total pay bill	£421,761,000 (£383,241,000)
Percentage of the total pay bill spent on facility time	0.01% (0.01%)

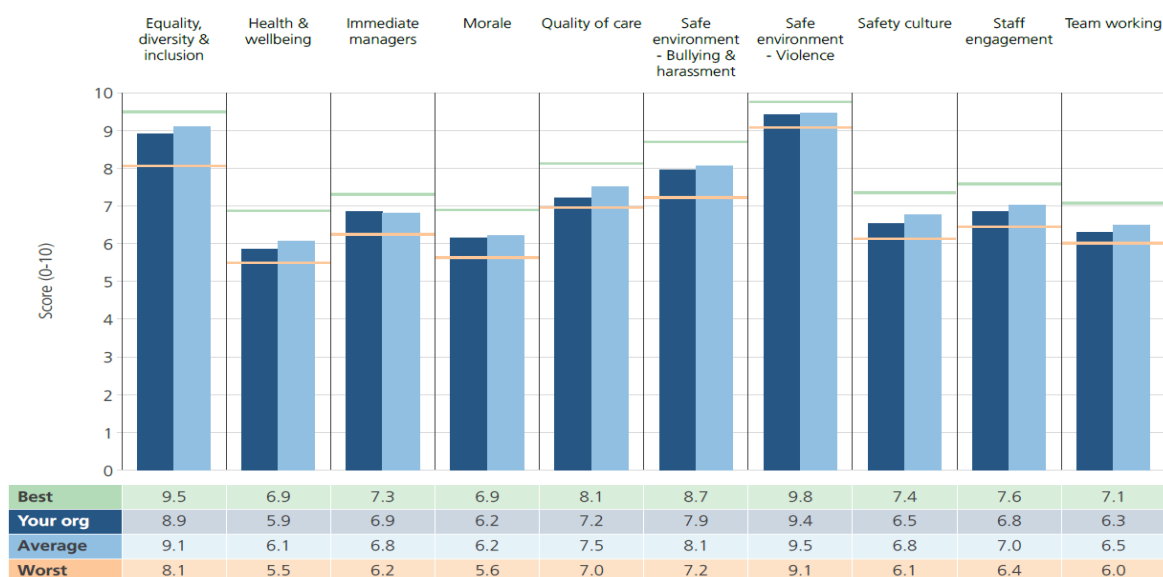
Table 4 – Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours 2019-20 (2018-19)
18.7% (19.5%)

3.18 NHS STAFF SURVEY 2020

The annual staff survey was conducted wholly on-line during 2020. Whilst this presented challenges to some staff groups, the response rate remained high at 55%. This compares to the new benchmark group extended to include Acute and Community Trusts, of 45%. The table below shows the Trust's results against each of the 10 themes.

Table 1: 2020 staff survey results



The Trust has maintained the positive improvements made over the last two years, with 71 out of 78 questions increasing or maintaining their scores from 2019. Of these, 18% of questions significantly increased in 2020 vs 6% in 2019. The number of staff recommending the Trust as a place to work and for treatment for friends and family also increased in 2020 and 73% of questions remained static, showing that confidence in the organisation has been sustained through the pandemic.

Significant improvements were made in two of the key focus areas from 2019/2020: to improve Health and Wellbeing opportunities and support and to help staff feel safe at work (Safe Environment – Violence). Team working was the only theme to have significantly decreased in 2020, and a plan to address this will be included in our staff engagement action plan for 2021.

Theme	2019 score	2019 respondents	2020 score	2020 respondents	Statistically significant change?
Equality, diversity & inclusion	8.9	4962	8.9	4616	Not significant
Health & wellbeing	5.7	4985	5.9	4635	↑
Immediate managers †	6.9	5000	6.9	4641	Not significant
Morale	6.1	4926	6.2	4631	Not significant
Quality of care	7.2	4544	7.2	4164	Not significant
Safe environment - Bullying & harassment	7.9	4952	7.9	4615	Not significant
Safe environment - Violence	9.3	4948	9.4	4619	↑
Safety culture	6.5	4971	6.5	4638	Not significant
Staff engagement	6.9	5017	6.8	4649	Not significant
Team working	6.5	4940	6.3	4570	↓

Benchmarked against our comparator Trusts (Acute and Acute and Community) we are better or the same than the average Trust score in 2 themes (Immediate Managers and Morale) and slightly under in the remaining 8 themes.

The staff survey results are used to inform workforce priorities for 2021/22.

4 FINANCIAL STATEMENTS

The key highlights for the Trust's financial performance for the year were:

- Actual performance - against a challenging year responding to the impact of Covid-19, the Trust delivered a deficit for the year of £7.98m. After adjusting the performance for the impact of impairments and donated asset movements, the adjusted a reported performance is £4k surplus.
- Performance - The performance target as agreed with the Integrated Care System (ICS) was a breakeven position, which the Trust delivered.
- Capital - expenditure on capital schemes of £131.71m, including £91.07m on the 3Ts building development, £10.74m on the backlog and estates, £7.22m on Information Technology and £6.67m on replacement equipment.

Summary of the Trust's 2020/21 financial performance (excluding the charity)

	£m
2020/21 Deficit for the year	(7.98)
Add Back: Impairments	9.21
Remove: Donated Asset Movements	(1.23)
	<hr/>
2020/21 Reported Financial Performance	<u>0.004</u>

Going Concern

International Accounting Standards (IAS1) requires the Trust Board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern.

In accordance with the Department of Health and Social Care Group Accounting Manual, the accounts should be prepared on a going concern basis unless the directors either intend to apply to the Secretary of State for the dissolution of the Foundation Trust without the transfer of the services to another entity, or have no realistic alternative but to do so.

On 19th March 2021, the Trust Boards of Western Sussex Hospitals and Brighton and Sussex Hospitals made a joint application to NHS Improvement for their merger by way of the acquisition of Brighton and Sussex University Hospitals NHS Trust by Western Sussex Hospitals NHS Foundation Trust under section 56A of the NHS Act 2006. The Grant of Application for the Acquisition took effect on 1st April 2021. On this date, Brighton and Sussex University Hospitals was dissolved and Western Sussex Hospitals NHS Foundation Trust acquired the assets and business of Brighton and Sussex University Hospitals NHS Trust. The newly merged Trust is known, from 1st April 2021, as University Sussex Hospitals NHS Foundation Trust.

Whilst Brighton and Sussex University Hospitals NHS Trust is therefore not a continuing organisation, the transfer of its services to University Hospitals Sussex NHS Foundation Trust, which is itself a going concern, satisfies the requirements of the Department of Health and Social Care Group Accounting Manual. For this reason, the directors have concluded that the accounts should be prepared on a going concern basis.

Income and Expenditure

The Trust is reporting Group income of £731.67m in 2020/21 which is an increase from the £656.17m reported in 2019/20. This was as a result of the changes in the 2020/21 financial regime where the Trust received block payments and top up funding as a result of the Covid-19 pandemic. The majority of the Trust's income is for patient care services and this income grew from £562.51m to £609.53m. The table below shows the sources of the Trust's income.

Group Income

	2020/21	2019/20
	£000	£000
Income from patient care activities	609,527	562,508
Research and development	5,128	4,684
Education and training	32,860	31,406
Provider sustainability / sustainability and transformation fund (PSF / STF)	0	26,011
Reimbursement and top up funding	51,909	0
Other contract income	10,308	13,882
Non-patient care services to other bodies	4,940	5,990
Charitable fund incoming resources	1,284	1,616
Other income	15,712	10,074
Total Income	731,668	656,171

The table below shows the Trust's main operating expenses with largest element being Staff costs at £452.39m for 2020/21 which is an increase from £412.07m in 2019/20. The most significant element of this increase relates to increased staffing levels to respond to the impact of Covid-19 and the increase in nationally agreed pay rates.

Group Operating Expenditure

	2020/21	2019/20
	£000	£000
Staff and executive directors costs	452,386	412,067
Supplies and services - clinical (excluding drugs costs)	74,042	65,836
Drug costs	72,892	76,137
Clinical negligence	23,343	22,365
Depreciation on property, plant and equipment	18,118	18,517

Premises	26,561	18,420
Supplies and services - general	6,833	6,444
Education and training	8,438	7,507
Research and development	6,617	5,850
Other expenses including impairments	40,466	46,163
Total Operating expenditure	729,696	679,306

Efficiency

The Trust achieved efficiencies of £6.20m in 2020/21 against an opening plan of £5.35m.

Better Payments Practice Code

The Better Payments Practice Code requires that the Trust pays all invoices within 30 days of the receipt of a valid invoice. The performance target is 95% and compliance with the target is shown below.

Measure of Compliance	2020/21	2020/21	2019/20	2019/20
	Number	£'000	Number	£'000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	175,950	526,969	189,072	507,758
Total Non-NHS Trade Invoices Paid Within Target	156,192	444,014	113,273	341,970
Percentage of Non-NHS Trade Invoices Paid Within Target	88.77%	84.26%	59.90%	67.30%
NHS Payables				
Total NHS Trade Invoices Paid Within Target	3,067	40,824	3,338	38,006
Total NHS Trade Invoices Paid Within Target	1,555	29,652	1,496	25,815
Percentage of NHS Trade Invoices Paid Within Target	50.70%	72.63%	44.80%	67.90%
Total				
Total bills paid in the year	179,017	567,793	192,410	545,764
Total bills paid within target	157,747	473,666	114,769	367,785
Percentage of bills paid within target	88.12%	83.42%	59.65%	67.39%

Revaluations and impairments

Revaluations and impairments led to an increase in asset values of £2k in the revaluation reserve and an impairment of £9.21m recognised in the statement of comprehensive income. The impairment was a result of a change in market value of the Trust's Estate following the valuation exercise as at 31st March 2021.

Capital expenditure

Additions to fixed assets in 2020/21 were £131.70m.

Commissioning arrangements

Point to note:

Due to the Covid-19 pandemic National commissioning, contract and payment arrangements for 2020/21 changed significantly from April 2020 for the remainder of the year.

In summary:

- National contracts between commissioners and Trusts and the associated compliance with national terms and conditions were suspended.
- The national activity based Payment by Results (PbR) system was also suspended and Trust income was largely replaced via a national block funding formula based on Trust 2019/20 financial performance and prospective top-up payments based on cost.
- Financial flows were further refined between months 7-12 whereby systems were issued with fixed funding envelopes composed of revised CCG allocations and block contracts addressing previous errors and reflecting changes to:
 - The payment of a number of High Cost drugs and devices such as; Cancer Drug Fund (CDF) and Hepatitis C medicines which were reimbursed on a pass through basis via Specialised Commissioning.
 - Removal of expenditure relating to genomic testing and complex knee revision surgery from CCG allocations.
 - The addition of growth funding - which offset reductions in non NHS income such as private patient relating revenue and a number of inflationary pressures, such as pay uplifts and updated CNST values etc.
 - Covid-19 allocations – which moved from retrospective top up payments to an allocation based on anticipated costs for the remainder of the year, with the exception of COVID testing and vaccine administration which were reimbursed on the basis of actual costs incurred via separate national funding streams.
- Local funding arrangements with, the Sussex MSK Partnerships & Brighton Local Authority were established using the same national block principles adopted in the first half of the year.
- Local Independent Sector (IS) capacity was also centrally procured via NHSE/I during the recovery and restoration phases following in year COVID-19 surges and was paid for via a separate national funding source.
- The above national changes were introduced to simplify contracting, encourage partnership working and ensure that Trust and system cash flow during this period of significant uncertainty was fully maintained within the context of the COVID pandemic.

Financial outlook

On 1st April 2021, Western Sussex Hospitals NHS Foundation Trust acquired the assets, liabilities and operations of Brighton and Sussex University Hospitals NHS Trust, forming University Hospitals Sussex NHS Foundation Trust through merger by acquisition under section 56A of the NHS Act 2006.

It should be noted that in the Full Business Case for the merger, the forecast for 2021/22 was a break-even position and maintaining a Use of Resource Rating of 1.

Summary

As at 31st March 2021, the Trust has

- surpassed the performance target agreed with the ICS delivering a surplus of £4k against a target of breakeven,
- achieved an undershoot on its Capital Resource Limit and delivered the capital plan,
- achieved an undershoot on its External Financing Limit,
- achieved a capital absorption rate of 3.5%, and
- significantly improved its BPPC performance against a target of 95%.

On 1st April 2021 the assets, liabilities, contracts and services of the Trust transferred to Western Sussex Hospitals NHS Foundation Trust forming University Hospitals Sussex NHS Foundation Trust. The cessation of Brighton and Sussex University Hospitals NHS Trust is not a going concern risk as set out in the 2020/21 DHSC Group Accounting Manual.

Audit Certificate and Report 2020/21

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BRIGHTON AND SUSSEX UNIVERSITY HOSPITALS NHS TRUST

Opinion

We have audited the financial statements of Brighton and Sussex University Hospitals NHS Trust for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the Trust and Group's Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers' Equity, the Trust and Group Statement of Cash Flows and the related notes 1 to 45. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 HM Treasury's Financial Reporting Manual (the 2020/21 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2020/21 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England (the Accounts Direction).

In our opinion the financial statements:

- give a true and fair view of the financial position of Brighton and Sussex University Hospitals NHS Trust as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) and the Accounts Directions issued thereunder.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Merger with Western Sussex Hospitals NHS Foundation Trust, 1 April 2021

We draw attention to Note 1.2 Going concern and Note 39 Events after the reporting date of the financial statements, which describes the merger by acquisition of the Trust by Western Sussex Hospitals NHS Foundation Trust on 1 April 2021 and the transfer of the Trust's assets, liabilities and services to University Hospitals Sussex NHS Foundation Trust (the name of the new merged entity). Our opinion is not

modified in respect of this matter.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the NHS Improvement's guidance; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or

- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.

We refer a matter to the Secretary of State under section 30(1)(b) of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 7 June 2016 we referred a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 on the basis that at that time we had reason to believe the Trust was likely to breach its “break-even duty”.

We made further referrals under section 30(1)(b) of the 2014 Act to the Secretary of State and NHS Improvement on 16 May 2018, 16 May 2019 and 19 May 2020 by which time the cumulative deficit was £238 million. In its draft accounts for the year ending 31 March 2021 the Trust has reported a £4k surplus for the financial year. This has resulted in a failure to meet the break-even duty over a rolling three year period and on 8 June 2021 we made another referral to the Secretary of State and NHS Improvement.

Responsibilities of the Directors and Accountable Officer

As explained more fully in the Statement of Directors’ Responsibilities in respect of the Accounts the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are responsible for assessing 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 either intend to cease operations, or has no realistic alternative but to do so.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State and for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor’s responsibility for the audit of the financial statements

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

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), as well as relevant employment laws of the United Kingdom. In addition, the Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.

We understood how Brighton and Sussex University Hospitals NHS Trust and Group is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, internal audit and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the Trust's board minutes and through enquiry of employees to verify Trust policies, and through the inspection of HR policies and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified fraud risks in the manipulation of reported financial performance through improper recognition of revenue and inappropriate capitalisation of revenue expenditure and management override of controls.

To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we reviewed the Trust's manual year end receivables and payables accruals, challenging assumptions and corroborating the income to appropriate evidence. We tested year-end cut-off arrangements by selecting samples of income and expenditure from either side of the 31 March 2021 balance sheet date and reviewing to supporting evidence to ensure these were recorded in the appropriate financial year. We also undertook cut-off testing of expenditure as at

month 6 of the financial year to establish whether the Trust had incorrectly included expenditure relating to later months that would trigger reimbursement and top-up funding for that period of the financial year that it would otherwise not be entitled to.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested a sample of the Trust's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether the Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

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.

Certificate

We certify that we have completed the audit of the accounts of Brighton and Sussex University Hospitals NHS Trust in accordance with the requirements of the Local Audit

and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Directors of Brighton and Sussex University Hospitals NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose. Our audit work has been undertaken so that we might state to the Directors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, for our audit work, for this report, or for the opinions we have formed.

Suresh Patel for & on behalf of
Ernst & Young LLP

*Suresh Patel (Key Audit
Partner) Ernst & Young LLP
(Local Auditor) Southampton
18 June 2021*

Brighton and Sussex University Hospitals NHS Trust

Annual accounts for the year ended 31 March 2021

Consolidated Statement of Comprehensive Income

	Note	Group		Trust	
		2020/21	2019/20	2020/21	2019/20
		£000	£000	£000	£000
Operating income from patient care activities	3	609,527	562,508	609,527	562,508
Other operating income	4	122,141	93,663	122,384	93,723
Operating expenses	6, 8	(729,696)	(679,306)	(729,524)	(679,149)
Operating surplus/(deficit) from continuing operations		1,972	(23,135)	2,387	(22,918)
Finance income	11	287	576	6	201
Finance expenses	12	(4,036)	(12,937)	(4,036)	(12,937)
PDC dividends payable		(5,993)	(4,814)	(5,993)	(4,814)
Net finance costs		(9,742)	(17,175)	(10,023)	(17,550)
Other gains / (losses)	13	1,945	280	(509)	1,429
Corporation tax expense		(196)	(205)	-	-
(Deficit) for the year from continuing operations		(6,021)	(40,235)	(8,145)	(39,039)
(Deficit) for the year		(6,021)	(40,235)	(8,145)	(39,039)
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(2,538)	(19,232)	(2,538)	(19,232)
Revaluations	19	4,365	8,628	4,365	8,628
Total comprehensive (expense) for the period		(4,194)	(50,839)	(6,318)	(49,643)
(Deficit) for the period attributable to:					
Brighton and Sussex University Hospitals NHS Trust		(6,021)	(40,235)	(8,145)	(39,039)
TOTAL		(6,021)	(40,235)	(8,145)	(39,039)
Total comprehensive income/ (expense) for the period attributable to:					
Brighton and Sussex University Hospitals NHS Trust		(4,194)	(50,839)	(6,318)	(49,643)
TOTAL		(4,194)	(50,839)	(6,318)	(49,643)
Adjusted financial performance (control total basis):					
(Deficit) for the period		(6,021)			
Remove impact of consolidating NHS charitable fund		(1,958)			
Remove net impairments not scoring to the Departmental expenditure limit		9,207			
Remove I&E impact of capital grants and donations		(1,224)			
Adjusted financial performance surplus		4			

Statements of Financial Position

	Note	Group		Trust	
		31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Non-current assets					
Intangible assets	15	6,372	3,513	6,372	3,513
Property, plant and equipment	16,17	655,164	552,806	655,037	552,603
Other investments / financial assets	20	14,062	11,608	1,100	1,100
Receivables	24	5,490	5,347	5,490	5,345
Total non-current assets		681,088	573,274	667,999	562,562
Current assets					
Inventories	23	9,861	10,458	8,982	9,614
Receivables	24	18,113	44,989	18,045	45,166
Cash and cash equivalents	25	48,535	8,136	46,828	7,301
Total current assets		76,509	63,583	73,855	62,081
Current liabilities					
Trade and other payables	26	(77,399)	(59,534)	(76,055)	(59,583)
Borrowings	28	(4,981)	(300,067)	(4,981)	(300,067)
Provisions	30	(1,199)	(101)	(1,199)	(101)
Other liabilities	27	(1,599)	(1,702)	(1,599)	(1,702)
Total current liabilities		(85,178)	(361,404)	(83,834)	(361,452)
Total assets less current liabilities		672,419	275,453	658,020	263,191
Non-current liabilities					
Borrowings	28	(61,039)	(65,864)	(61,039)	(65,863)
Provisions	30	(4,288)	(4,151)	(4,264)	(4,140)
Total non-current liabilities		(65,327)	(70,015)	(65,303)	(70,004)
Total assets employed		607,092	205,438	592,717	193,187
Financed by					
Public dividend capital		882,837	476,989	882,837	476,988
Revaluation reserve		45,787	45,785	45,787	45,785
Income and expenditure reserve		(335,089)	(328,935)	(335,907)	(329,586)
Charitable fund reserves	22	13,557	11,599	-	-
Total taxpayers' equity		607,092	205,438	592,717	193,187

The notes on pages 7 to 56 form part of these accounts.



Name: Dame Marianne Griffiths

Position: Chief Executive

Date: 18 June 2021

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	476,989	45,785	(328,935)	11,599	205,438
Surplus/(deficit) for the year	-	-	(8,901)	2,880	(6,021)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(1,825)	1,825	-	-
Other transfers between reserves	-	-	-	-	-
Impairments	-	(2,538)	-	-	(2,538)
Revaluations	-	4,365	-	-	4,365
Public dividend capital received	405,848	-	-	-	405,848
Other reserve movements	-	-	922	(922)	-
Taxpayers' and others' equity at 31 March 2021	882,837	45,787	(335,089)	13,557	607,092

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	403,633	58,460	(291,986)	12,814	182,921
Surplus/(deficit) for the year	-	-	(39,984)	(251)	(40,235)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(2,071)	2,071	-	-
Other transfers between reserves	-	-	-	-	-
Impairments	-	(19,232)	-	-	(19,232)
Revaluations	-	8,628	-	-	8,628
Public dividend capital received	73,356	-	-	-	73,356
Other reserve movements	-	-	964	(964)	-
Taxpayers' and others' equity at 31 March 2020	476,989	45,785	(328,935)	11,599	205,438

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	476,988	45,785	(329,586)	193,187
Surplus/(deficit) for the year	-	-	(8,145)	(8,145)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(1,825)	1,825	-
Other transfers between reserves	-	-	-	-
Impairments	-	(2,538)	-	(2,538)
Revaluations	-	4,365	-	4,365
Public dividend capital received	405,848	-	-	405,848
Taxpayers' and others' equity at 31 March 2021	882,836	45,787	(335,906)	592,717

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	403,633	58,460	(292,617)	169,476
Surplus/(deficit) for the year	-	-	(39,040)	(39,040)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(2,071)	2,071	-
Other transfers between reserves	-	-	-	-
Impairments	-	(19,232)	-	(19,232)
Revaluations	-	8,628	-	8,628
Public dividend capital received	73,355	-	-	73,355
Taxpayers' and others' equity at 31 March 2020	476,988	45,785	(329,586)	193,187

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 Group/Trust.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 22.

Statements of Cash Flows

	Note	Group		Trust	
		2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Cash flows from operating activities					
Operating surplus / (deficit)		1,972	(23,135)	2,387	(22,918)
Non-cash income and expense:				-	
Depreciation and amortisation	6	18,665	18,934	18,620	18,894
Net impairments	7	9,207	15,900	9,207	15,900
Income recognised in respect of capital donations	4	(668)	(46)	(668)	(980)
(Increase) / decrease in receivables and other assets		28,023	(3,079)	28,067	(3,252)
(Increase) / decrease in inventories		597	(1,107)	632	(1,157)
Increase in payables and other liabilities		12,757	3,590	11,936	4,340
Increase in provisions		1,219	1,637	1,219	1,637
Movements in charitable fund working capital		394	85	-	-
Tax (paid)		(175)	(203)	-	-
Net cash flows from operating activities		71,991	12,576	71,400	12,464
Cash flows from investing activities					
Interest received		6	201	6	201
Purchase of intangible assets		(3,406)	(1,556)	(3,406)	(1,556)
Purchase of PPE and investment property		(122,968)	(104,961)	(122,968)	(104,870)
Sales of PPE and investment property		-	34	-	34
Receipt of cash donations to purchase assets		-	46	-	980
Net cash flows from charitable fund investing activities		281	374	-	-
Net cash flows from / (used in) investing activities		(126,087)	(105,862)	(126,368)	(105,211)
Cash flows from financing activities					
Public dividend capital received		405,848	73,356	405,848	73,356
Movement on loans from DHSC		(296,454)	38,225	(296,454)	38,225
Capital element of PFI payments		(1,861)	(1,341)	(1,861)	(1,341)
Interest on loans		(2,619)	(9,857)	(2,619)	(9,857)
Interest paid on PFI obligations		(2,997)	(2,774)	(2,997)	(2,774)
PDC dividend (paid)		(7,422)	(4,469)	(7,422)	(4,469)
Net cash flows from financing activities		94,495	93,140	94,495	93,140
Increase / (decrease) in cash and cash equivalents		40,399	(146)	39,527	393
Cash and cash equivalents at 1 April - brought forward		8,136	8,282	7,301	6,908
Cash and cash equivalents at 31 March	25	48,535	8,136	46,828	7,301

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

International Accounting Standards (IAS1) require the Trust Board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern.

In accordance with the Department of Health and Social Care Group Accounting Manual, the accounts should be prepared on a going concern basis unless the directors either intend to apply to the Secretary of State for the dissolution of the Trust without the transfer of the services to another entity, or have no realistic alternative but to do so.

On 19th March 2021, the Trust Boards of Western Sussex Hospitals and Brighton and Sussex Hospitals made a joint application to NHS Improvement for their merger by way of the acquisition of Brighton and Sussex University Hospitals NHS Trust by Western Sussex Hospitals NHS Foundation Trust under section 56A of the NHS Act 2006. The Grant of Application for the Acquisition took effect on 1 April 2021. On this date, Brighton and Sussex University Hospitals was dissolved and Western Sussex Hospitals NHS Foundation Trust acquired the assets and business of Brighton and Sussex University Hospitals NHS Trust. The newly merged Trust is known, from 1st April 2021, as University Sussex Hospitals NHS Foundation Trust.

Whilst Brighton and Sussex University Hospitals NHS Trust is therefore not a continuing organisation, the transfer of its services to University Hospitals Sussex NHS Foundation Trust, which is itself a going concern, satisfies the requirements of the Department of Health and Social Care Group Accounting Manual. For this reason, the directors have concluded that the accounts should be prepared on a going concern basis

Note 1.3 Consolidation

The entities included in these accounts are Brighton and Sussex University Hospitals NHS Trust (Parent entity), Brighton and Sussex University Hospitals NHS Trust Charitable Fund (wholly owned subsidiary) and Pharm@sea Limited (wholly owned subsidiary).

All three organisations have a coterminous year end of 31 March 2021 with aligned accounting policies.

NHS Charitable Fund

The Trust is the Corporate Trustee to Brighton and Sussex University Hospitals NHS Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

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

Other subsidiaries

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

The amounts consolidated are drawn from the published financial statements of Pharm@Sea Limited, for the year.

Note 1.4 Revenue from contracts with customers

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

The Group does not disclose information regarding performance obligations as part of a contract that has an original expected duration of one year or less,

The Group is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.

The FReM has mandated the exercise of the practical expedient offered in the Standard that requires the Group to reflect the aggregate effect of all contracts modified before the date of initial application.

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

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

2020/21

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

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

Comparative period (2019/20)

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

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

For 2020/21 and 2019/20

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract. For the year ended 31 March 2021 there was no sale of non-current assets.

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 Group accrues income relating to performance obligations satisfied in that year. Where the Group's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable

relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

There are no material contracts for which the performance obligation has not been satisfied as at 31 March 2021.

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes

- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets

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

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

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

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

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 of IFRS 5.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Depreciation

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

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

Donated and grant funded assets

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

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

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) transactions

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

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

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

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- payment for the fair value of services received
- repayment of the finance lease liability, including finance costs, and
- payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

PFI assets, liabilities and finance costs

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	1	89
Dwellings	14	64
Plant & machinery	1	15
Transport equipment	1	15
Information technology	1	10
Furniture & fittings	1	15

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

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life	Max life
	Years	Years
Intangible assets - internally generated		
Information technology	1	10
Intangible assets - purchased		
Software	1	10

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method except drugs which are valued at average cost.

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

Note 1.11 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.

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

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

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial assets and financial liabilities at fair value through income and expenditure

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

The Trust has irrevocably elected to measure the following financial assets / financial liabilities at fair value through income and expenditure:

Impairment of financial assets

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

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

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

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

De-recognition

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

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

Note 1.13 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Finance leases

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

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

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

Operating leases

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

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

Leases of land and buildings

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

The Trust as lessor

Finance leases

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

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying

amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.14 Provisions

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

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 30.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has

determined that PDC is not a financial instrument within the meaning of IAS 32.

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Corporation tax

The corporation tax disclosed in the Group accounts relates to tax on the activities of the wholly owned subsidiary, Pharm@Sea Limited. Tax is charged at 20% on the taxable profits of Pharm@Sea Limited. Deferred tax has been provided on the remaining unwound capital allowances.

The Trust has determined that it has no corporation tax liability because it is not engaged in activity that is subject to corporation tax.

Note 1.18 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.19 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or 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.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.20 Third party assets

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

Note 1.21 Losses and special payments

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

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

Note 1.22 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.

As at 31 March 2021 no gifts were made.

Note 1.23 Early adoption of standards, amendments and interpretations

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

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

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

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

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI imputed lease liability will be remeasured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

Note 1.25 Critical judgements in applying accounting policies

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

As at 31 March 2021 there was one critical judgment made with regards to the implementation of IFRS 15. This is set out in note 1.4 above.

Valuation of Buildings

Department of Health guidance specifies that the Group's land and buildings should be valued on the basis of depreciated replacement cost, applying the Modern Equivalent Asset (MEA) concept. The MEA is defined as "the cost of a modern replacement asset that has the same productive capacity as the property being valued." Therefore the MEA is not a valuation of the existing land and buildings that the Group holds, but a theoretical valuation for accounting purposes of what the Group could need to spend in order to replace the current assets. In determining the MEA, the Group has to make assumptions that are practically achievable, however the Group is not required to have any plans to make such changes.

The Group is satisfied that the assumptions underpinning the MEA valuation are practically achievable, would not change the services provided by the Group, and would not impact on service delivery or the level and volume of service provided. The Group does not intend to implement any of the theoretical assumptions that underpin the MEA valuation.

For the purpose of the MEA valuation, the Group has defined all of the Royal Sussex County Hospital, The Royal Alexandra Children's Hospital, the Sussex Eye Hospital and the Royal Princess Royal Hospital as buildings that provide specialist health care services. The MEA valuation in the accounts assumes that the Brighton based hospitals could theoretically be provided from a location on the outskirts of Brighton.

The MEA valuations used by the Group have been provided to the Group by the external valuers, Gerald Eve LLP. The Group has used component lives based upon contractual information provided by Gerald Eve LLP to depreciate buildings and dwellings on a component basis.

PFI

The Group uses the standard Department of Health model to account for its PFI scheme. This is a standard template that adjusts for the change in Retail Price Index on the annual unitary charge. The estimation provided from the model is used to adjust for the actual charge.

Assets Under Construction

The costs of the 3T's project (the redevelopment of the Royal Sussex County Hospital), which represent costs capitalised on assets not currently complete, are included in Assets Under Construction. At 31 March 2021 these amounted to £337.2m (2019-20 - £245.0m). The project which has a cost of £486m, based on the full business case and contractual obligations, was approved by HMT in December 2015. There are three phases to the build. The Group has taken the judgement that capitalised expenditure will be classified as Assets Under Construction until completion of each stage of the phases of the build, at which point the assets will be reclassified as operational buildings. Changes in the valuation basis between cost and fair value, when these reclassifications occur, may result in significant changes in the carrying value of the assets.

The Trust has submitted an addendum FBC for the completion of Stage 1.

The Addendum FBC is currently with HM Treasury awaiting approval. Once approval is received the Trust will then enter a Deed of Variation with Laing O'Rourke.

With the agreement of the DHSC the Trust is currently proceeding on the basis that HM Treasury approval will be given.

Provision for Pensions

The Group has estimated the provision for pensions relating to former staff using estimates provided by the NHS Pensions provided at the time of the member's early retirement. These are updated annually using national life expectancy tables and if it becomes apparent that the provision is not sufficient to meet the liability.

Note 1.26 Contingent Assets and Liabilities

Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.27 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Depreciation

The reported amounts for depreciation of property, plant and equipment and amortisation of non-current intangible assets can be materially affected by the judgements exercised in determining their estimated economic lives. Economic lives are determined in a number of different ways such as valuations (external professional opinion) and physical asset verification exercises.

The estimated economic lives of each class of asset are disclosed in notes 1.8, and the carrying values of property, plant and equipment and intangible assets in notes 15 to 17.3.

Land and Buildings Valuations

All land and buildings are restated at current value by way of annual professional valuations carried out by an independent external valuer.

Fully Depreciated Plant and Equipment

The Group is in the process of reviewing fully depreciated items of plant and equipment held on the capital asset register which may no longer exist. Based on the work undertaken the group continues

to estimate that it holds approximately £113m of fully depreciated assets of its capital asset register which no longer exist that are excluded from the financial statements.

Provision for impairment of receivables

Provisions are based on a combination of the age of the debt and disputes with debtors. The Group follows the guidance issued in the Department of Health Group Accounting Manual 2020-21 in relation to the recommended rate for Injury Cost Recovery receivables.

Note 2 Operating segments

The Group operates as a single segment.

The nature of the Trust's services is the provision of healthcare. Similar methods are used to provide services across all locations and all policies, procedures and governance arrangements are Trust wide. As an NHS Trust, all services are subject to the same regulatory environment and standards set by the Trust's external performance managers. Accordingly, the Trust operates one segment and in 2020-21 reported to the Board in this format. No discrete activities of the business have individual revenue exceeding 10% of the total combined revenue, profit or assets.

Income from transactions with a single external customer which amount to 10% or more of total income is as follows:

	2020/21	2019/20
	£000	£000
NHS England	222,318	209,876
CCG *	<u>357,674</u>	<u>317,436</u>
	<u>579,992</u>	<u>527,312</u>

This income all relates to patient activity.

* As commissioners are under common control they are classed as a single customer for this purpose.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

	Group and Trust		
	2020/21	Restated	2019/20
	£000	£000	£000
Acute services			
Block contract / system envelope income*	493,914	450,025	-
High cost drugs income from commissioners (excluding pass-through costs)	84,171	80,740	80,740
Other NHS clinical income	381	1,500	160,817
Elective income	-	-	78,832
Non elective income	-	-	139,252
First outpatient income	-	-	21,714
Follow up outpatient income	-	-	24,281
A & E income	-	-	26,629
All services			
Private patient income	2,413	5,666	5,666
Additional pension contribution central funding**	17,135	16,272	16,272
Other clinical income	11,513	8,305	8,305
Total income from activities	609,527	562,508	562,508

The table above is also for the results of the Trust

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

Note 3.1 Income from patient care activities (by source)

	2020/21	2019/20
	£000	£000
Income from patient care activities received from:		
NHS England	222,318	209,876
Clinical commissioning groups	357,674	317,436
Department of Health and Social Care	29	84
Other NHS providers	85	1,134
NHS other	215	280
Local authorities	3,299	3,726
Non-NHS: private patients	2,413	5,666
Non-NHS: overseas patients (chargeable to patient)	160	858
Injury cost recovery scheme	1,337	1,942
Non NHS: other	21,997	21,506
Total income from activities	609,527	562,508
Of which:		
Related to continuing operations	609,527	562,508

Non NHS: other comprises mainly income from two local MSK Partnerships totalling £21,950k (2019/20 £21.438m).

Note 3.2 Overseas visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	£000
Income recognised this year	160	858
Cash payments received in-year	237	367
Amounts added to provision for impairment of receivables	-	51
Amounts written off in-year	-	-

Note 4 Other operating income (Group)

	2020/21			2019/20		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	5,128	-	5,128	4,684	-	4,684
Education and training	32,312	548	32,860	30,947	459	31,406
Non-patient care services to other bodies	4,940		4,940	5,990		5,990
Provider sustainability fund (2019/20 only)			-	11,204		11,204
Financial recovery fund (2019/20 only)			-	14,807		14,807
Marginal rate emergency tariff funding (2019/20 only)			-	1,848		1,848
Reimbursement and top up funding	51,909		51,909			-
Income in respect of employee benefits accounted on a gross basis	6,049		6,049	6,128		6,128
Receipt of capital grants and donations		668	668		46	46
Charitable and other contributions to expenditure		8,959	8,959		171	171
Rental revenue from operating leases		262	262		451	451
Charitable fund incoming resources		1,284	1,284		1,616	1,616
*Other income	10,308	(226)	10,082	13,882	1,430	15,312
Total other operating income	110,646	11,495	122,141	89,490	4,173	93,663
Of which:						
Related to continuing operations			122,141			93,663
*Other income						
Car Parking income			333			1,493
Catering			462			857
Pharmacy sales			221			361
Staff accommodation rental			431			526
Crèche services			747			880
Clinical tests			2,037			2,418
Clinical excellence awards			1,480			1,751
Other income not already covered			4,371			7,026
			10,082			15,312

Note 4.1 Other operating income (Trust)

	2020/21	2019/20
	Total	Total
	£000	£000
Research and development	5,128	4,684
Education and training	32,860	31,406
Non-patient care services to other bodies	4,940	5,990
Provider sustainability fund (2019/20 only)	-	11,204
Financial recovery fund (2019/20 only)	-	14,807
Marginal rate emergency tariff funding (2019/20 only)	-	1,848
Reimbursement and top up funding	51,909	-
Income in respect of employee benefits accounted on a gross basis	6,049	6,128
Receipt of capital grants and donations	1,560	46
Charitable and other contributions to expenditure	8,959	171
Rental revenue from operating leases	262	451
*Other income	10,717	16,928
Total other operating income	<u>122,384</u>	<u>93,663</u>
Of which:		
Related to continuing operations	122,384	93,663
*Other income		
Car Parking income	333	1,493
Catering	462	857
Pharmacy sales	221	361
Staff accommodation rental	431	526
Crèche services	747	880
Clinical tests	2,037	2,418
Clinical excellence awards	1,480	1,751
Other income not already covered	5,006	8,642
	<u>10,717</u>	<u>16,928</u>

Note 5 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	156	147
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods		

Note 5.1 Fees and charges (Group/Trust)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2020/21	2019/20
	£000	£000
Income	-	1,251
Full cost	-	(349)
Surplus / (deficit)	<u>-</u>	<u>902</u>

There were no services over £1m in the year ended 31 March 2021.

Note 6 Operating expenses

	Group		Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	3,794	5,866	3,794	5,866
Purchase of healthcare from non-NHS and non-DHSC bodies	7,631	9,798	7,568	9,778
Staff and executive directors costs	452,386	412,067	451,836	411,488
Remuneration of non-executive directors	96	57	96	57
Supplies and services - clinical (excluding drugs costs)	74,042	65,836	74,042	65,836
Supplies and services - general	6,833	6,444	6,833	6,444
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	72,892	76,137	74,943	77,867
Inventories written down	115	197	115	197
Consultancy costs	161	384	161	384
Establishment	4,639	4,363	4,485	4,261
Premises	26,561	18,420	26,546	18,420
Transport (including patient travel)	1,559	2,131	1,555	2,102
Depreciation on property, plant and equipment	18,118	18,517	18,073	18,477
Amortisation on intangible assets	547	417	547	417
Net impairments	9,207	15,900	9,207	15,900
Movement in credit loss allowance: contract receivables / contract assets	2,794	(384)	2,794	(384)
Change in provisions discount rate(s)	84	127	84	127
Audit fees payable to the external auditor				
audit services- statutory audit	221	109	194	83
other auditor remuneration (external auditor only)	11	23	11	23
Internal audit costs	90	69	90	69
Clinical negligence	23,343	22,365	23,343	22,365
Legal fees	293	370	293	370
Insurance	500	344	487	344
Research and development	6,617	5,850	6,617	5,850
Education and training	8,438	7,507	8,435	7,505
Rentals under operating leases	2,891	2,942	2,891	2,942
Redundancy	9	66	9	66
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI)	1,037	1,014	1,037	1,014
Car parking & security	285	349	285	349
Losses, ex gratia & special payments	9	17	9	17
Other NHS charitable fund resources expended	1,127	1,082	-	-
Other	3,366	922	3,144	915
Total	729,696	679,306	729,524	679,149
Of which:				
Related to continuing operations	729,696	679,306	729,524	679,149

Note 6.1 Other auditor remuneration (Group and Trust)

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	11	23
Total	11	23

Note 6.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £2 million (2019/20: £2 million).

Note 7 Impairment of assets (Group)

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss as a result of catastrophe	-	1
Changes in market price	9,207	15,899
Total net impairments charged to operating surplus / deficit	9,207	15,900
Impairments charged to the revaluation reserve	2,538	19,232
Total net impairments	11,745	35,132

The impairment of £9,207k relates to a change in value of the Trust's estate following the annual review carried out by the external valuer, Gerald Eve LLP.

Note 8 Employee benefits

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	353,462	318,736	352,912	318,157
Social security costs	34,729	32,424	34,729	32,424
Apprenticeship levy	1,654	1,554	1,654	1,554
Employer's contributions to NHS pensions	56,353	53,218	56,353	53,218
Temporary staff (including agency)	17,163	15,829	17,163	15,829
Total gross staff costs	463,361	421,761	462,811	421,182
Total staff costs	463,361	421,761	462,811	421,182
Of which				
Costs capitalised as part of assets	1,994	980	1,994	980
	461,367	420,781	460,817	420,202

Note 8.1 Retirements due to ill-health (Group)

During 2020/21 there were 5 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liability of these ill-health retirements is £127k (£58k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

c) NEST

The Pensions Act 2008 and 2001 Automatic Enrolment Regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. Employees who are unable to join the NHS Pensions Scheme are covered by the National Employers Savings Trust ("NEST").

The auto enrolment "staging" date for the Trust compliance was 1 April 2013. This was followed by a re-enrolment date of 1 April 2016 and then again on the 1 April 2019. For those staff not entitled to join the NHS Pension Scheme, the Trust utilised an alternative pension scheme called NEST to fulfil its automatic enrolment obligations. NEST is a defined contribution pension scheme established by law to support the introduction of auto enrolment.

Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270 but are reviewed every year by the government. The initial contribution was 1% of qualifying earnings, with an employer contribution of 1%. This has been increased by the stages below which were set by the government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
6th April 2018	3%	2%	5%
6th April 2019	5%	3%	8%

Note 10 Operating leases (Group)

Note 10.1 Brighton and Sussex University Hospitals NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Brighton and Sussex University Hospitals NHS Trust is the lessor.

The Trust leases space to third parties to provide food, beverages and newspapers, the swimming pool on the St Mary's Hall site in Brighton, office space and use of sites for the location of aerials. The Trust also leases space to the wholly owned subsidiary, Pharm@Sea Limited. The terms of these leases vary between one and fifteen years.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	262	451
Total	262	451
	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	491	482
- later than one year and not later than five years;	1,660	1,738
- later than five years.	-	37
Total	2,151	2,257

Note 10.2 Brighton and Sussex University Hospitals NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Brighton and Sussex University Hospitals NHS Trust is the lessee.

The Trust leases four properties which are for periods of between eighteen and twenty five years. The leases cannot be cancelled unless through agreed break clauses. There are no contingent rents and the Trust may not assign any of the leases without the landlord's permission.

Details of the leases are set out below:	Term in years	Start date	End date	Break clause	Break clause notice
Sussex House, Brighton	18	29/03/2007	28/03/2025	N/A	N/A
Freshfield, Brighton	19	24/06/2003	23/06/2022	23/06/2017	12 months
Preston Road, Brighton	20	21/05/2013	11/02/2038	10/02/2022	6 months
Radiotherapy Centre, Eastbourne	25	24/07/2017	23/01/2042	N/A	12 months
				2020/21 £000	2019/20 £000
Operating lease expense					
Minimum lease payments				2,891	2,942
Total				2,891	2,942
				31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:					
- not later than one year;				2,704	2,538
- later than one year and not later than five years;				7,113	9,098
- later than five years.				14,475	19,119
Total				24,292	30,755
Future minimum sublease payments to be received				-	-

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	Group		Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Interest on bank accounts	6	201	6	201
NHS charitable fund investment income	281	375	-	-
Total finance income	287	576	6	201

Note 12 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,023	9,863
Main finance costs on PFI and LIFT schemes obligations	1,501	1,581
Contingent finance costs on PFI and LIFT scheme obligations	1,496	1,193
Total interest expense	4,020	12,637
Unwinding of discount on provisions	16	300
Total finance costs	4,036	12,937

The table above pertains to the Trust and the Group as neither the Charitable funds nor Pharm@Sea Limited have any borrowings.

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2020/21	2019/20
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains

	Group		Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Gains on disposal of assets	-	1,429	-	1,429
Losses on disposal of assets	(509)	-	(509)	-
Total gains / (losses) on disposal of assets	(509)	1,429	(509)	1,429
Fair value gains / (losses) on charitable fund investments & investment properties	2,454	(1,149)	-	-
Total other gains / (losses)	1,945	280	(509)	1,429

Note 14 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's deficit for the period was £8 million (2019/20: deficit £39 million). The Trust's total comprehensive expense for the period was £6 million (2019/20: expense £49 million).

Note 15 Intangible assets - 2020/21 (Group and Trust)

Group and Trust	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	2,630	2,752	5,382
Additions	3,406	-	3,406
Valuation / gross cost at 31 March 2021	6,036	2,752	8,788
Amortisation at 1 April 2020 - brought forward	748	1,121	1,869
Provided during the year	226	321	547
Amortisation at 31 March 2021	974	1,442	2,416
Net book value at 31 March 2021	5,062	1,310	6,372
Net book value at 1 April 2020	1,882	1,631	3,513

Note 15.1 Intangible assets - 2019/20 (Group and Trust)

Group and Trust	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	1,440	2,355	3,795
Additions	1,190	366	1,556
Reclassifications	-	31	31
Valuation / gross cost at 31 March 2020	2,630	2,752	5,382
Amortisation at 1 April 2019 - as previously stated	640	812	1,452
Provided during the year	108	309	417
Amortisation at 31 March 2020	748	1,121	1,869
Net book value at 31 March 2020	1,882	1,631	3,513
Net book value at 1 April 2019	800	1,543	2,343

Note 16 Property, plant and equipment - 2020/21 (Group)

Group	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000							
Valuation/gross cost at 1 April 2020 - brought forward	24,397	217,463	583	252,494	132,811	217	55,377	4,322	687,664
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	18,806	-	96,741	8,555	-	4,198	-	128,300
Impairments	(43)	(5,315)	-	-	-	-	-	-	(5,358)
Reversals of impairments	1,221	1,592	7	-	-	-	-	-	2,820
Revaluations	482	(12,733)	(15)	-	-	-	-	-	(12,266)
Reclassifications	-	1,836	-	(3,511)	1,641	-	34	-	-
Disposals / derecognition	-	-	-	-	(509)	-	-	-	(509)
Valuation/gross cost at 31 March 2021	26,057	221,649	575	345,724	142,498	217	59,609	4,322	800,651
Accumulated depreciation at 1 April 2020 - brought forward	-	-	-	-	95,106	217	35,222	4,312	134,857
Provided during the year	-	7,408	15	-	5,938	-	4,751	6	18,118
Impairments	1	12,067	-	-	-	-	-	-	12,068
Reversals of impairments	(480)	(2,381)	-	-	-	-	-	-	(2,861)
Revaluations	479	(17,095)	(15)	-	-	-	-	-	(16,631)
Disposals / derecognition	-	-	-	-	(65)	-	-	-	(65)
Accumulated depreciation at 31 March 2021	-	(0)	-	-	100,979	217	39,973	4,318	145,487
Net book value at 31 March 2021	26,057	221,649	575	345,724	41,519	-	19,636	4	655,164
Net book value at 1 April 2020	24,397	217,463	583	252,494	37,705	-	20,155	10	552,807

Note 16.1 Property, plant and equipment - 2019/20 (Group)

Group	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000							
Valuation / gross cost at 1 April 2019 - as previously stated	34,947	216,597	617	197,040	122,896	217	47,736	4,322	624,372
Additions	-	10,032	-	74,821	8,908	-	5,877	-	99,638
Impairments	(5,126)	(14,060)	(46)	-	-	-	-	-	(19,232)
Revaluations	(5,424)	(9,732)	12	-	-	-	-	-	(15,144)
Reclassifications	-	14,626	-	(19,367)	2,946	-	1,764	-	(31)
Disposals / derecognition	-	-	-	-	(1,939)	-	-	-	(1,939)
Valuation/gross cost at 31 March 2020	24,397	217,463	583	252,494	132,811	217	55,377	4,322	687,664
Accumulated depreciation at 1 April 2019 - as previously stated	-	-	-	-	90,571	217	31,066	4,297	126,151
Provided during the year	-	7,857	16	-	6,473	-	4,156	15	18,517
Impairments	5,447	21,594	-	-	-	-	-	-	27,041
Reversals of impairments	-	(11,121)	(20)	-	-	-	-	-	(11,141)
Revaluations	(5,447)	(18,330)	4	-	-	-	-	-	(23,773)
Disposals / derecognition	-	-	-	-	(1,938)	-	-	-	(1,938)
Accumulated depreciation at 31 March 2020	-	-	-	-	95,106	217	35,222	4,312	134,857
Net book value at 31 March 2020	24,397	217,463	583	252,494	37,705	-	20,155	10	552,807
Net book value at 1 April 2019	34,947	216,597	617	197,040	32,325	-	16,670	25	498,221

Note 16.2 Property, plant and equipment financing - 2020/21 (Group)

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Net book value at 31 March 2021									
Owned - purchased	26,057	185,400	575	344,196	38,794	-	19,636	4	614,662
On-SoFP PFI contracts and other service concession arrangements	-	33,945	-	-	-	-	-	-	33,945
Owned - donated/granted	-	2,304	-	1,528	2,725	-	-	-	6,557
NBV total at 31 March 2021	26,057	221,649	575	345,724	41,519	-	19,636	4	655,164

Note 16.3 Property, plant and equipment financing - 2019/20 (Group)

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Net book value at 31 March 2020									
Owned - purchased	24,397	180,326	583	251,223	36,021	-	20,148	9	512,707
On-SoFP PFI contracts and other service concession arrangements	-	34,722	-	-	-	-	-	-	34,722
Owned - donated/granted	-	2,414	-	1,271	1,684	-	7	1	5,377
NBV total at 31 March 2020	24,397	217,462	583	252,494	37,705	-	20,155	10	552,806

Note 17 Property, plant and equipment - 2021/20 (Trust)

Trust	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Valuation/gross cost at 1 April 2020 - brought forward	24,397	217,463	583	252,367	132,403	217	55,377	4,322	687,129
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	18,806	-	96,832	8,496	-	4,198	-	128,332
Impairments	(43)	(5,315)	-	-	-	-	-	-	(5,358)
Reversals of impairments	1,221	1,592	7	-	-	-	-	-	2,820
Revaluations	482	(12,733)	(15)	-	-	-	-	-	(12,266)
Reclassifications	-	1,836	-	(3,511)	1,641	-	34	-	-
Disposals / derecognition	-	-	-	-	(509)	-	-	-	(509)
Valuation/gross cost at 31 March 2021	26,057	221,649	575	345,688	142,031	217	59,609	4,322	800,148
Accumulated depreciation at 1 April 2020 - brought forward	-	-	-	-	94,775	217	35,222	4,312	134,526
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	7,408	15	-	5,893	-	4,751	6	18,073
Impairments	1	12,067	-	-	-	-	-	-	12,068
Reversals of impairments	(480)	(2,381)	-	-	-	-	-	-	(2,861)
Revaluations	479	(17,095)	(15)	-	-	-	-	-	(16,631)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(65)	-	-	-	(65)
Accumulated depreciation at 31 March 2021	-	(0)	-	-	100,603	217	39,973	4,318	145,111
Net book value at 31 March 2021	26,057	221,649	575	345,688	41,428	-	19,636	4	655,037
Net book value at 1 April 2020	24,397	217,463	583	252,367	37,628	-	20,155	10	552,603

Note 17.1 Property, plant and equipment - 2019/20 (Trust)

Trust	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000							
Valuation / gross cost at 1 April 2019 - as previously stated	34,947	216,597	617	197,040	122,488	217	47,736	4,322	623,964
Additions	-	10,032	-	74,694	8,908	-	5,877	-	99,511
Impairments	(5,126)	(14,060)	(46)	-	-	-	-	-	(19,232)
Revaluations	(5,424)	(9,732)	12	-	-	-	-	-	(15,144)
Reclassifications	-	14,626	-	(19,367)	2,946	-	1,764	-	(31)
Disposals / derecognition	-	-	-	-	(1,939)	-	-	-	(1,939)
Valuation/gross cost at 31 March 2020	24,397	217,463	583	252,367	132,403	217	55,377	4,322	687,129
Accumulated depreciation at 1 April 2019 - as previously stated	-	-	-	-	90,280	217	31,066	4,297	125,860
Provided during the year	-	7,857	16	-	6,433	-	4,156	15	18,477
Impairments	5,447	21,594	-	-	-	-	-	-	27,041
Reversals of impairments	-	(11,121)	(20)	-	-	-	-	-	(11,141)
Revaluations	(5,447)	(18,330)	4	-	-	-	-	-	(23,773)
Disposals / derecognition	-	-	-	-	(1,938)	-	-	-	(1,938)
Accumulated depreciation at 31 March 2020	-	-	-	-	94,775	217	35,222	4,312	134,526
Net book value at 31 March 2020	24,397	217,463	583	252,367	37,628	-	20,155	10	552,603
Net book value at 1 April 2019	34,947	216,597	617	197,040	32,208	-	16,670	25	498,104

Note 17.2 Property, plant and equipment financing - 2020/21 (Trust)

Trust	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000							
Net book value at 31 March 2021									
Owned - purchased	26,057	185,400	575	344,196	38,667	-	19,636	4	614,535
On-SoFP PFI contracts and other service concession arrangements	-	33,945	-	-	-	-	-	-	33,945
Owned - donated	-	2,304	-	1,528	2,725	-	-	-	6,557
NBV total at 31 March 2021	26,057	221,649	575	345,724	41,392	-	19,636	4	655,037

Note 17.3 Property, plant and equipment financing - 2019/20 (Trust)

Trust	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000							
Net book value at 31 March 2020									
Owned - purchased	24,397	180,327	583	251,096	35,944	-	20,148	9	512,504
On-SoFP PFI contracts and other service concession arrangements	-	34,722	-	-	-	-	-	-	34,722
Owned - donated	-	2,414	-	1,271	1,684	-	7	1	5,377
NBV total at 31 March 2020	24,397	217,463	583	252,367	37,628	-	20,155	10	552,603

Note 18 Donations of property, plant and equipment

The value of assets donated by the Brighton and Sussex University Hospitals NHS Trust Charitable Funds during the year was £892k (31 March 2020, £980k). There are no restrictions or conditions imposed by the donations.

The value of medical equipment donated by DHSC as part of the coronavirus pandemic response in 2020/21 was £668k.

Note 19 Revaluations of property, plant and equipment

The Trust undertakes an estates revaluation annually. This year the valuation was carried out as at 31 March 2021 by the external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The

valuation was carried out in accordance with the requirements of the RICS valuation - Global Standard 2020 and the national standards and guidance set out in the UK national supplement (November 2018 edition), and the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FRoM). The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost (DRC), with other in-use properties reported on an Existing Use Value Basis.

The valuation was carried out on the basis of Fair Value. Fair value is determined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between participants at the measurement date. The Fair Value of land and buildings is determined from market based evidence and is therefore akin to Market Value. For non-specialised operational assets in accordance with the FRoM adaptations this equates to Existing Use Value and for specialised operational assets Fair Value estimated using Depreciated Replacement Cost method subject to the assumption of continuing use.

Most of the Trust's assets qualify as specialised operational assets and therefore fall to be assessed using the Depreciated Replacement Cost approach and have been valued on an optimal site modern equivalent asset basis. That is the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Non-operational assets, including surplus land, are valued on the basis of Market Value on the assumption that the property is no longer required for existing operations, which have ceased.

For the avoidance of doubt, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The estimated remaining lives of the buildings have been adjusted in line with the Gerald Eve's valuation. The estimated remaining lives of the Trust's assets are as follows:

	Min life	Max life
	Years	Years
Buildings excluding dwellings	1	89
Dwellings	14	64
Plant & machinery	1	15
Transport equipment	1	15
Information technology	1	10
Furniture & fittings	1	15

The book value of fully depreciated assets as at 31 March 2021 was £113m.

Note 20 Other investments / financial assets (non-current)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	11,608	12,757	1,101	1,101
Movement in fair value through income and expenditure	2,454	(1,149)	-	-
Carrying value at 31 March	14,062	11,608	1,101	1,101

£1,101k represents the cost of investment in Pharm@Sea Limited, the wholly owned subsidiary of the Trust. The company is registered in the UK, company no. 08842973 with a share capital of 1,101,000 of £1 each. The company trades as an outpatients dispensary service at the Royal Sussex County Hospital site. The figures in the note below are based on the audited accounts to the 31 March 2021.

	2020/21	2019/20
	£000	£000
Total gross assets of the entity	4,658	4,337
Total gross liabilities of the entity	(3,434)	(2,607)
Total revenues	(21,286)	(20,593)
Profit for the year	1,162	18

£14,062k represents the investment in unit trusts held by the Charity (31 March 2020, 11,608k).

Note 21 Disclosure of interests in other entities

The Trust's investment of £1,101k represents the cost of investment in Pharm@Sea Limited, the wholly owned subsidiary of the Trust. The company is registered in the UK, company no. 08842973 with a share capital of 1,101,000 of £1 each. The company trades as an outpatients dispensary service at the Royal Sussex County Hospital site.

Note 22 Analysis of charitable fund reserves

The Trust has consolidated the Brighton and Sussex University Hospitals NHS Charitable Funds draft accounts as at 31 March 2021 as part of these accounts. The analysis of funds is noted below.

	31 March	31 March
	2021	2020
	£000	£000
Unrestricted funds:		
Unrestricted income funds	11,844	9,752
Restricted funds:		
Endowment funds	471	471
Other restricted income funds	<u>1,242</u>	<u>1,376</u>
	<u>13,557</u>	<u>11,599</u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the Trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduce the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 23 Inventories

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Drugs	3,427	3,751	2,548	2,907
Consumables	6,434	6,707	6,434	6,707
Total inventories	9,861	10,458	8,982	9,614
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £137,214k (2019/20: £120,543k). Write-down of inventories recognised as expenses for the year were £115k (2019/20: £197k).

The write down of inventories relates to primarily to expired and damaged drugs

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £8,801k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 24 Receivables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Contract receivables	18,531	42,612	19,283	43,438
Contract assets	-	-	-	-
Capital receivables	1,330	1,395	1,330	1,395
Allowance for impaired contract receivables / assets	(6,956)	(4,162)	(6,956)	(4,162)
Deposits and advances	70	58	70	58
Prepayments (non-PFI)	2,839	3,335	2,839	3,335
PDC dividend receivable	1,265	-	1,265	-
VAT receivable	923	1,701	214	1,102
Other receivables	-	29	-	-
NHS charitable funds receivables	111	21	-	-
Total current receivables	18,113	44,989	18,045	45,166
Non-current				
Contract receivables	-	-	-	-
Contract assets	2,879	3,479	2,879	3,477
Prepayments (non-PFI)	734	306	734	306
Other receivables	1,877	1,562	1,877	1,562
NHS charitable funds receivables	-	-	-	-
Total non-current receivables	5,490	5,347	5,490	5,345
Of which receivable from NHS and DHSC group bodies:				
Current	9,665	31,507	9,665	31,528
Non-current	1,877	1,562	1,877	1,562

Note 24.1 Allowances for credit losses – 2020/21

	Group and Trust	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2020 - brought forward	4,162	-
Changes in existing allowances	2,794	-
Allowances as at 31 Mar 2021	<u>6,956</u>	<u>-</u>

Note 24.2 Allowances for credit losses – 2019/20

	Group and Trust	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2019 - as previously stated	4,546	-
Changes in existing allowances	(384)	-
Allowances as at 31 Mar 2020	<u>4,162</u>	<u>-</u>

Note 24.3 Exposure to credit risk

In accordance with IFRS 9, the Group is required to measure the loss allowance of lifetime expected credit losses at initial recognition of the debt being raised.

The expected credit loss is only applied to Non NHS debt. NHS organisations are excluded from the calculation as NHS transactions are considered to be part of DHSC group accounts eliminated on consolidation.

The Group has used the ageing profile to assess the level of risk. The percentages applied to each class derives from both historic data accumulated as well as current and future projections.

Note 25 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
At 1 April	8,136	8,282	7,301	6,908
Net change in year	40,399	(146)	39,527	393
At 31 March	<u>48,535</u>	<u>8,136</u>	<u>46,828</u>	<u>7,301</u>
Broken down into:				
Cash at commercial banks and in hand	5	129	5	4
Cash with the Government Banking Service	48,530	8,007	46,823	7,297
Total cash and cash equivalents as in SoFP	<u>48,535</u>	<u>8,136</u>	<u>46,828</u>	<u>7,301</u>
Total cash and cash equivalents as in SoCF	<u>48,535</u>	<u>8,136</u>	<u>46,828</u>	<u>7,301</u>

Note 25.1 Third party assets held by the Trust

Brighton and Sussex University Hospitals NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

No amount was held on behalf of patients as at 31 March 2021 (31 March 2020, £1,208).

Note 26 Trade and other payables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Trade payables	14,527	15,308	13,266	16,956
Capital payables	15,554	10,869	15,554	10,869
Accruals	40,454	18,859	41,219	17,676
Social security costs	17	4,659	3	4,632
Other taxes payable	261	3,867	32	3,648
PDC dividend payable	-	164	-	164
Other payables	5,947	5,653	5,981	5,638
NHS charitable funds: trade and other payables	639	155	-	-
Total current trade and other payables	77,399	59,534	76,055	59,583

Of which payables from NHS and DHSC group bodies:

Current	9,822	7,799	9,822	7,799
---------	-------	-------	-------	-------

Note 26.1 Early retirements in NHS payables above

The payables note above does not include amounts in relation to early retirements.

Note 27 Other liabilities

	Group and Trust	
	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	428	156
Other deferred income	1,171	1,546
Total other current liabilities	1,599	1,702

Note 28 Borrowings

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Current		
Loans from DHSC	3,125	298,206
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,856	1,861
Total current borrowings	4,981	300,067
Non-current		
Loans from DHSC	36,767	39,736
Obligations under PFI, LIFT or other service concession contracts	24,272	26,128
Total non-current borrowings	61,039	65,864

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £293,435k are classified as current liabilities as at 31 March 2020. As the repayment of these loans was funded through the issue of PDC, this does not present a going concern risk for the Trust.

Note 29 Reconciliation of liabilities arising from financing activities (Group and Trust)

2020/21	Loans from DHSC schemes		PFI schemes	Total
	£000	£000		
Carrying value at 1 April 2020	337,942	27,989		365,931
Cash movements:				
Financing cash flows - payments and receipts of principal	(296,454)	(1,861)		(298,315)
Financing cash flows - payments of interest	(2,619)	(1,501)		(4,120)
Non-cash movements:				
Application of effective interest rate	1,023	1,501		2,524
Carrying value at 31 March 2021	39,892	26,128		66,020

2019/20	Loans from DHSC schemes		PFI schemes	Total
	£000	£000		
Carrying value at 1 April 2019	299,711	29,329		329,040
Cash movements:				
Financing cash flows - payments and receipts of principal	38,225	(1,341)		36,884
Financing cash flows - payments of interest	(9,857)	(1,580)		(11,437)
Non-cash movements:				
Application of effective interest rate	9,863	1,581		11,444
Carrying value at 31 March 2020	337,942	27,989		365,931

The Tables above reflect the liabilities arising from financing activities for the Brighton and Sussex University Hospitals NHS Trust alone which draws down loans from DHSC and has taken out the PFI transaction.

Note 30 Provisions for liabilities and charges analysis (Group)

Group	Pensions:				Total £000
	injury benefits £000	Legal claims £000	Restructuring £000	Other £000	
At 1 April 2020	2,014	317	-	1,921	4,252
Change in the discount rate	84	-	-	-	84
Arising during the year	-	19	1,097	342	1,458
Utilised during the year	(101)	-	-	-	(101)
Reversed unused	-	-	-	(222)	(222)
Unwinding of discount	16	-	-	-	16
At 31 March 2021	2,013	336	1,097	2,041	5,487
Expected timing of cash flows:					
- not later than one year;	102	-	1,097	-	1,199
- later than one year and not later than five years	417	336	-	164	917
- later than five years.	1,494	-	-	1,877	3,371
Total	2,013	336	1,097	2,041	5,487

The provision for Injury Benefits is for the reimbursement of injury benefit allowances to the NHS Pensions Agency and the timing of these payments is based on the age of the recipients.

The provision for Legal Claims provides for the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES). This provision covers the excess amount payable by the Trust and not the full liability of claims which is covered by NHS Resolution under the non-clinical risk pooling scheme. The timings of the cash flows are based on estimated dates for the finalisation of the claims. 1 case is not covered by NHS Resolution.

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme (by completing and returning a 'Scheme Pays' form before 31 July 2021). The Trust estimates that all consultants will take advantage of this offer. NHS England has used information provided by the Government Actuaries Department and NHS Business Services Authority to calculate an 'average discounted value per nomination'. A provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This will be offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. This has been disclosed under other provisions and totals £1,877k.

Note 30.1 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions:				Total
	injury benefits	Legal claims	Restructuring	Other	
	£000	£000	£000	£000	£000
At 1 April 2020	2,014	317	-	1,912	4,243
Change in the discount rate	84	-	-	-	84
Arising during the year	-	19	1,097	318	1,434
Utilised during the year	(101)	-	-	-	(101)
Reversed unused	-	-	-	(222)	(222)
Unwinding of discount	16	-	-	-	16
At 31 March 2021	2,013	336	1,097	2,008	5,454
Expected timing of cash flows:					
- not later than one year;	102	-	1,097	-	1,199
- later than one year and not later than five years;	417	336	-	164	917
- later than five years.	1,494	-	-	1,844	3,338
Total	2,013	336	1,097	2,008	5,454

Note 30.2 Clinical negligence liabilities

At 31 March 2021, £315,212k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Brighton and Sussex University Hospitals NHS Trust (31 March 2020: £291,697k).

Note 31 Contingent assets and liabilities

	Group	
	31 March 2021	31 March 2020
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(75)	(68)
Gross value of contingent liabilities	(75)	(68)
Net value of contingent liabilities	(75)	(68)
Net value of contingent assets	-	-

The contingent liability for Legal Claims represents the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES) notified to the Trust by NHS Resolution. The timings of the cash flows are based on estimated dates for the finalisation of the claims.

Note 32 Contractual capital commitments

	Trust only	
	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	86,862	137,675
Total	86,862	137,675

Note 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:

	Trust only	
	31 March 2021 £000	31 March 2020 £000
not later than 1 year	393	393
after 1 year and not later than 5 years	1,571	1,571
paid thereafter	392	785
Total	2,356	2,749

Note 34 On-SoFP PFI arrangements

PFI scheme details

Valuation of PFI as at 31 March 2021	£33,945k
Contract start date	10-Jun-04
Contract end date	08-Jun-34
Length of project	30 years

The PFI Scheme relates to the Royal Alexandra Children's Hospital. The Trust is entitled to provide healthcare services within the facility for the period of the PFI arrangement. The contract contains payment mechanisms providing for deductions in the unitary payment made by the Trust for poor performance and unavailability. The unitary charge for the scheme is subject to an annual uplift for future price increases. The operator Kajima is responsible for providing a managed maintenance service for the length of the contract, after such time these responsibilities revert to the Trust. During the reported period there were no changes to the contractual arrangements of the scheme.

Note 34.1 On-SoFP PFI arrangement obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	31 March 2021 £000	31 March 2020 £000
Gross PFI liabilities	36,619	39,982
Of which liabilities are due		
- not later than one year;	3,256	3,362
- later than one year and not later than five years;	11,810	12,313
- later than five years.	21,553	24,307
Finance charges allocated to future periods	(10,491)	(11,993)
Net PFI obligation	26,128	27,989
- not later than one year;	1,856	1,861
- later than one year and not later than five years;	7,235	7,339
- later than five years.	17,037	18,789

Note 34.2 Total on-SoFP PFI arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2021 £000	31 March 2020 £000
Total future payments committed in respect of the PFI arrangement	94,731	100,722
Of which payments are due:		
- not later than one year;	6,140	5,991
- later than one year and not later than five years;	26,135	25,498
- later than five years.	62,456	69,233

Note 34.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	6,279	6,119
Consisting of:		
- Interest charge	1,501	1,581
- Repayment of balance sheet obligation	1,861	1,341
- Service element and other charges to operating expenditure	1,037	1,014
- Capital lifecycle maintenance	384	990
- Contingent rent	1,496	1,193
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	37
Total amount paid to service concession operator	6,279	6,156

Note 35 Financial instruments

Note 35.1 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. Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to capital schemes supported by DHSC and NHSI. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS England and Improvement. Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. Amounts due from DHSC healthcare providers is underwritten by DHSC thereby reducing the exposure to credit risk.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups and NHS England, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from internally generated resources and any exceptional capital schemes are supported by loans and public dividend capital issued by DHSC. The Trust is not, therefore, exposed to significant liquidity risks.

Note 35.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2021	Held at	Held at	Held at	Total book value
	amortised cost	fair value through I&E	fair value through OCI	
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	17,661	-	-	17,661
Cash and cash equivalents	48,512	-	-	48,512
Consolidated NHS Charitable fund financial assets	134	14,062	-	14,196
Total at 31 March 2021	66,307	14,062	-	80,369

Carrying values of financial assets as at 31 March 2020	Held at	Held at	Held at	Total book value
	amortised cost	fair value through I&E	fair value through OCI	
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	44,915	-	-	44,915
Cash and cash equivalents	8,011	-	-	8,011
Consolidated NHS Charitable fund financial assets	146	11,608	-	11,754
Total at 31 March 2020	53,072	11,608	-	64,680

Note 35.3 Carrying values of financial assets (Trust)

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2021				
Trade and other receivables excluding non financial assets	18,413	-	-	18,413
Other investments / financial assets	-	-	1,101	1,101
Cash and cash equivalents	46,828	-	-	46,828
Total at 31 March 2021	65,241	-	1,101	66,342
Carrying values of financial assets as at 31 March 2020				
Trade and other receivables excluding non financial assets	45,679	-	-	45,679
Other investments / financial assets	-	-	1,101	1,101
Cash and cash equivalents	7,301	-	-	7,301
Total at 31 March 2020	52,980	-	1,101	54,081

Note 35.4 Carrying values of financial liabilities (Group)

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	39,892	-	39,892
Obligations under PFI, LIFT and other service concessions	26,128	-	26,128
Trade and other payables excluding non financial liabilities	76,482	-	76,482
Total at 31 March 2021	142,502	-	142,502
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	337,942	-	337,942
Obligations under PFI, LIFT and other service concessions	27,989	-	27,989
Trade and other payables excluding non financial liabilities	45,500	-	45,500
Total at 31 March 2020	411,431	-	411,431

Note 35.5 Carrying values of financial liabilities (Trust)

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	39,892	-	39,892
Obligations under PFI, LIFT and other service concessions	26,128	-	26,128
Trade and other payables excluding non financial liabilities	76,020	-	76,020
Total at 31 March 2021	142,040	-	142,040
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	337,942	-	337,942
Obligations under PFI, LIFT and other service concessions	27,989	-	27,989
Trade and other payables excluding non financial liabilities	45,950	-	45,950
Total at 31 March 2020	411,881	-	411,881

Note 35.6 Fair values of financial assets and liabilities

The fair value for obligations under PFI contracts as at 31 March 2021 is £33,945k (31 March 2020, £34,722k)

Note 35.7 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust			
	31 March 2021 £000	31 March 2020 restated* £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 restated* £000	31 March 2020 £000
In one year or less	82,863	347,068	345,567	82,401	347,518	346,017
In more than one year but not more than five years	24,310	24,813	7,339	24,310	24,813	7,339
In more than five years	47,741	53,620	58,525	47,741	53,620	58,525
Total	154,914	425,501	411,431	154,452	425,951	411,881

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 36 Losses and special payments

Group and trust	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Stores losses and damage to property	6	266	4	197
Total losses	6	266	4	197
Special payments				
Compensation under court order or legally binding arbitration award	1	-	-	-
Ex-gratia payments	39	9	52	17
Total special payments	40	9	52	17
Total losses and special payments	46	275	56	214
Compensation payments received		-		-

The losses relate to Brighton and Sussex University Hospitals NHS Trust alone

Note 37 Gifts

As at 31 March 2021 no gifts were made (31 March 2020, nil).

Note 38 Related parties

There were no related party transactions with individuals reported during the year.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example:

NHS England	NHS East Sussex CCG
Health Education England	NHS West Sussex CCG
Brighton & Hove City CCG	East Sussex Healthcare NHS Trust
Western Sussex Hospitals NHS FT	

The Trust entered into a management contract with Western Sussex Hospitals NHS Foundation Trust from 1 April 2017. The Executive Team and Chairman of Western Sussex Hospitals NHS Foundation Trust are also the Executive Team and Chairman of the Trust.

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Brighton and Hove City Council, East Sussex County Council and West Sussex Council in respect of clinical services.

Jon Furmston is an Associate Non-Executive Director for the Trust and is also a Director of Openreach Limited, a subsidiary of BT Group plc. The Trust spent £50k with BT Group companies in 2020-21 (£134k 2019-20).

Note 39 Events after the reporting date

On 1 April 2021, Western Sussex Hospitals NHS Foundation Trust acquired the assets, liabilities and operations of Brighton and Sussex University Hospitals NHS Trust, forming University Hospitals Sussex NHS Foundation Trust through merger by acquisition under section 56A of the NHS Act 2006.

Note 40 Final period of operation as a Trust providing NHS healthcare

On 1 April 2021, Western Sussex Hospitals NHS Foundation Trust acquired the assets, liabilities and operations of Brighton and Sussex University Hospitals NHS Trust, forming University Hospitals Sussex NHS Foundation Trust through merger by acquisition under section 56A of the NHS Act 2006.

Note 41 Better Payment Practice code

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	175,950	526,969	189,072	507,758
Total non-NHS trade invoices paid within target	<u>156,192</u>	<u>444,014</u>	<u>113,273</u>	<u>341,970</u>
Percentage of non-NHS trade invoices paid within target	<u>88.8%</u>	<u>84.3%</u>	<u>59.9%</u>	<u>67.3%</u>
NHS Payables				
Total NHS trade invoices paid in the year	3,067	40,824	3,338	38,006
Total NHS trade invoices paid within target	<u>1,555</u>	<u>29,652</u>	<u>1,496</u>	<u>25,815</u>
Percentage of NHS trade invoices paid within target	<u>50.7%</u>	<u>72.6%</u>	<u>44.8%</u>	<u>67.9%</u>
Total				
Total bills paid in the year	179,017	567,793		
Total bills paid within target	<u>157,747</u>	<u>473,666</u>		
Percentage of bills paid within target	<u>88.1%</u>	<u>83.4%</u>		

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 42 External financing

The Trust is given an external financing limit against which it is permitted to underspend

	2020/21 £000	2019/20 £000
Cash flow financing	67,032	110,404
External financing requirement	<u>67,032</u>	<u>110,404</u>
External financing limit (EFL)	114,176	126,065
Under / (over) spend against EFL	<u>47,144</u>	<u>15,661</u>

Note 43 Capital Resource Limit

	2020/21 £000	2019/20 £000
Gross capital expenditure	131,706	101,194
Less: Disposals	(444)	(1)
Less: Donated and granted capital additions	(1,560)	(980)
Charge against Capital Resource Limit	<u>129,702</u>	<u>100,213</u>
Capital Resource Limit	135,190	110,441
Under / (over) spend against CRL	<u>5,488</u>	<u>10,228</u>

Note 44 Breakeven duty financial performance

	2020/21
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	4
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	4

Note 45 Breakeven duty rolling assessment

	1997/98 to						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		10,227	4,512	42	3,325	5,114	(450)
Breakeven duty cumulative position	(17,834)	(7,607)	(3,095)	(3,053)	272	5,386	4,936
Operating income		415,950	439,750	574,218	606,074	558,555	520,765
Cumulative breakeven position as a percentage of operating income		(1.8%)	(0.7%)	(0.5%)	0.0%	1.0%	0.9%
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
		£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		(44,819)	(68,501)	(55,558)	(50,804)	(23,701)	4
Breakeven duty cumulative position		(39,883)	(108,384)	(163,942)	(214,746)	(238,447)	(238,443)
Operating income		529,475	550,369	563,153	587,328	655,519	731,306
Cumulative breakeven position as a percentage of operating income		(7.5%)	(19.7%)	(29.1%)	(36.6%)	(36.4%)	(32.6%)

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, the Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven.