ANNUAL REPORT

2021/22

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CHAIR'S

INTRODUCTION

I became Chair of the newly merged Royal Devon University Healthcare NHS Foundation Trust as it launched on Friday 1 April following the integration of Northern Devon Healthcare NHS Trust and the Royal Devon and Exeter NHS Foundation Trust. Whilst I was not in my role during the 2021/22 financial year, I have read this report with great attention, and the information outlined within it has formed an important part of my induction into the organisation.

I wanted to start with a huge thank you to all of our staff and volunteers for everything they do. We have emerged from another difficult year of the pandemic, and our staff and services have experienced significant pressure. I know that it has often felt extremely challenging and colleagues have been concerned that they can't achieve everything they would like to. But I believe our team should take pride in everything they do, knowing that they are doing the very best they can for our patients.

Our teams have achieved a great deal this year. As well as working incredibly hard and flexibly to provide care, they have played a crucial role in the COVID-19 vaccination campaign, leading our centres and administering the vaccine, ensuring people across North, Mid and East Devon are given the opportunity to be vaccinated – and this important work continues.

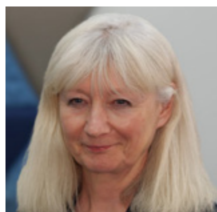
Our teams have also worked hard across all of our services to address our waiting lists. The Nightingale Hospital Exeter has increased the capacity across Devon for planned care. Our staff and those at our partner organisation have transformed the space from a COVID-19 ward into a diagnostic and treatment centre providing orthopaedic, ophthalmology, rheumatology and diagnostic services, and we are proud to see fantastic patient feedback for the facility. Following significant planning and construction work this year, a new modular theatre will also open at North Devon District Hospital in May 2022 which will provide beds for orthopaedic surgery.

In July, following a significant programme of work from our teams, we will be able to rollout our Epic electronic patient record in Northern Devon, which means we will have a shared patient record system across all our services. In North Devon, during 2021/22 we developed our plans for renewing North Devon District Hospital, as a result of its inclusion in the Government's New Hospitals Programme. These programmes of work will provide fantastic opportunities for our staff and patients, helping us to modernise and improve the way we deliver care.

Before I finish, I wanted to take the time to thank my predecessor, James Brent. James was an outstanding Chair at the RD&E for ten years and chair at NDHT for four years. He leaves the successful integration as part of his legacy.

It was clear to me in taking this role that the merger is the right thing for the people of North and East Devon. Formally bringing our organisations together unlocks opportunities to improve the resilience and sustainability of the healthcare we deliver to our patients across all of the areas we serve, from North, to Mid, to East Devon. As a newly merged Trust and as we move towards living with COVID-19, we have the opportunity to reset our services and set out our plan to recover for the future.

There will of course continue to be challenges ahead, but with our amazing staff and volunteers, the support of our communities, as well as our important university and research partnerships, I am certain we have the best possible team to face them.



Dame Shan Morgan
Chair

PERFORMANCE
REPORT

INTRODUCTION BY THE CHIEF EXECUTIVE

Welcome to our Annual Report and Accounts 2021/22

Our report looks back at the last 12 months, summarising our achievements and the challenges we faced, and looks forward to what we would like to achieve over the course of the next financial year.

The ongoing COVID-19 pandemic has dominated this past year, but once again the Trust's staff have risen to the challenge magnificently, with unflinching resolve, professionalism, compassion and sometimes much-needed humour, in the face of extremely difficult circumstances. The pressures that COVID-19 has placed on our ability to care for our patients, has tested us sometimes to the limit.

I am very proud to say that, despite the staffing challenges we face, with high levels of staff absence due to COVID-19 and ongoing recruitment issues affecting Trusts across the country, we have continued to deliver safe and compassionate care during the past year to tens of thousands of people across our area who depend upon us in so many different ways.

The COVID-19 vaccination roll-out has been a key focus for us during the last 12 months. Getting vaccinated is the best protection we have against viruses like COVID-19 and Flu and also helps to minimise the number of hospital admissions due to these viruses, alleviating the pressure on our hospitals.

To date, over 2.7 million vaccines have been administered in Devon. Our staff and volunteers have played a really important part in achieving this remarkable feat, delivering vaccinations in our hospitals, in the centres at Greendale in Exeter and Barnstaple Leisure Centre, and in a number of other settings. Everyone over the age of 18 years has now been offered a second vaccine, and we are now spearheading a major campaign to maximise the uptake of booster jabs.

The pandemic has not only caused considerable pressure to our acute services, but has led to a backlog of elective care right across the country. Historically, we have had low waiting times, but we know more people are waiting longer for care than before, and for this we are sorry.

We are doing everything we can to recover our elective care services, and our plans include short, medium and longer-term programmes of work. This includes the Nightingale Hospital Exeter, which is providing elective care to patients across Devon, and a number of new initiatives, including opening a new-build elective ward at North Devon District Hospital.

And whilst COVID-19 remains, we are taking time to reset and look to the future. This will be the last annual report published by Northern Devon Healthcare NHS Trust as an organisation. On Friday 1 April 2022, the Trust merged with the Royal Devon and Exeter NHS Foundation Trust (RD&E) Trust to become the Royal Devon University Healthcare NHS Foundation Trust.

With a combined core budget of £864m for 2022/23, the new Trust has more than 15,000 staff and provides core services to around 615,000 people. Together, we have ambitions to be a leading, digitally enabled, teaching hospital Trust.

We successfully rolled out the Epic electronic patient record at RD&E in October 2020 and we plan to launch the system in Northern Devon in July 2022, giving us a common electronic patient record across our services. This will help us to modernise the services we deliver to our patients, making the best use of digital technologies and helping to mitigate the rurality of our county.

On a personal note, I want to drive our inclusion work forwards in the coming year. We are striving to create a new Trust that meets the needs of all of the people we serve and where everyone feels respected, regardless of who they are, what they look like or how they identify. We have an inclusion plan for 2022/23 which sets out our key priorities for the year and this is led by our Inclusion Steering Group, which I personally chair. I look forward to being able to update you on the work we have done next year.

Finally, I would like to express my enormous gratitude to the outgoing Chairman of the RD&E and NDHT, James Brent, who for a decade has provided leadership, wisdom and unstinting support during a time of unparalleled challenges and change. James leaves the successful integration of NDHT and the RD&E as his legacy, helping us to secure a better future together as the Royal Devon University Healthcare NHS Foundation Trust.

We are delighted to welcome Dame Shan Morgan as James' successor. Dame Shan starts in her role on Friday 1 April 2022 and joins us at such an important and exciting time for our organisations. We know her expertise and passion for public service will be invaluable as we seek to develop our future direction and make a real difference for our communities and staff.

I want to finish by saying a final, huge thank you to our staff, volunteers, patients and all of our stakeholders. Your dedication, skill and self-sacrifice, has helped us deliver the very best care and services we can to our patients over the past year.

I am extremely proud of all that we have achieved and truly believe that we are better together. I look forward to working with you all next year.

Suzanne Tracey
Chief Executive Officer

ABOUT NORTHERN DEVON HEALTHCARE NHS TRUST

What we do

Across Devon, our teams of care professionals work with patients and their families to support peoples' independence, health and wellbeing. We provide support to avoid hospital admissions, and if an admission is necessary, we try to make each patient's stay in hospital as short and effective as possible having worked with them on a safe discharge home.

In any 24 hours, our health and social care community teams visit around 504 patients in their own homes to help them rehabilitate after illness or injury. At any one time, they are overseeing around 11,025 people's care.

We are working hard to join up health and social care, improving the way people get home from hospital or receive support to remain independent in their own homes.

Our values guide everything we do. At all times, we aim to:

- Demonstrate compassion
- Strive for excellence
- Respect diversity
- Act with integrity
- Listen and support others

North Devon District Hospital (NDDH), Barnstaple

In 2021/22 staff at North Devon District Hospital treated 25,619 inpatients, 20,024 day cases, 318,975 outpatients and delivered 1,302 babies. They also saw 59,349 people in our emergency department.

The populations of Torridge and North Devon account for 83.5% of patients to NDDH, with the remaining 16.5% coming from residents from the Cornish and Somerset borders or tourists to the area.

NDDH provides a 24/7 emergency service and is designated trauma unit operating within a trauma network serving the whole of Devon and Cornwall. This network ensures residents of Northern Devon have access to trauma services.

The Trust offers a range of general medical services, including cardio-respiratory, stroke care and gastroenterology. General surgical services include orthopaedics, urology and colorectal specialities. We also run ophthalmology services, using the latest procedures and techniques to treat glaucoma and macular degeneration.

The Trust offers patients a choice of local, specialist services and invites consultants from other neighbouring NHS trusts to hold clinics in the area. We work with Musgrove Park in Taunton on a vascular network and Derriford on a neonatal network. We have worked with the Royal Devon and Exeter NHS Foundation Trust (RD&E) for a number of years to deliver various services to our patients.

Integrated health and social care community services

Across Devon, our teams of care professionals work with patients and their families to support peoples' Our teams of integrated health and social care community professionals across northern Devon work to rehabilitate patients, avoid admissions, and promote health, wellbeing and independence. The multidisciplinary teams include community nurses, social workers, physiotherapists, occupational therapists, community matrons and the voluntary sector.

The teams deliver care to around 11,025 people at any one time, often with very complex needs, providing support and treatment to enable them to live independently in their own homes.

The teams provide a rapid response service. If a GP is worried about a patient whose health is deteriorating, they can call the community rapid response team who will arrive at the person's home within two hours. We assess the health and social care needs with the patient, and they are provided with immediate support in their own home. Quite often this avoids an admission to hospital.

Our Pathfinder team at NDDH liaises with the wards to organise timely and safe discharges for patients who require ongoing care or support after leaving hospital. As members of the local health and social care teams, the Pathfinder and onward care teams develop and arrange any care packages that are required to ensure the patient can leave hospital, with the right support to live independently at home.

In 2016, we launched Devon Cares. The service was handed back to local authority commissioners as part of their core business in July 2021.

The Trust has five community hospitals and two resource centres, which provide local hubs of healthcare for their communities and a range of services that are easily accessible to the local population, including minor injuries units and local outpatient and self-referral services, such as sexual health clinics.

Specialist community services

The Trust is the main provider of specialist community healthcare services across North, East, Mid and South Devon, including podiatry, dentistry and sexual health.

We also run Sexual Assault Referral Centres (SARC) across Devon, Cornwall and the Isles of Scilly. We also provide adult and paediatric bladder and bowel care services in these areas.

OUR YEAR

Specialist community services

Highlights of 2021/22

Throughout 2021/22 the NHS and Northern Devon Healthcare NHS Trust (NDHT) was significantly impacted by the ongoing COVID-19 pandemic. As we continued to follow national guidance and managed the significant impact of the disease on our population our performance was adversely affected

However, it is important that we acknowledge and celebrate the achievements from the last 12 months.

- The MY CARE Northern Devon programme has launched this year; its goals focus on the successful implementation of the Epic Electronic Patient Record (EPR) which will replace our current EPR and legacy systems from Saturday 9 July 2022. Going forwards, we will have a single patient record that can be accessed (depending on security levels) across all sites electronically.
- On our most recent staff survey, NDHT scored above average across all survey themes. NDHT has the best score compared to similar trusts nationally for staff reporting that they have personally experienced discrimination at work from manager / team leader or other colleague.
- NDDH is one of 40 hospitals included in the Government's New Hospital Programme (NHP) which forms part of the wider Health Infrastructure Plan. The Our Future Hospital Strategic Outline Case (SOC) for this investment opportunity was approved by the Trust Board in 2021, and has since been reviewed against the fundamental criteria by our regional NHS England and Improvement (NHSEI) team.
- Work began in March on a new £1.9 million ward at North Devon District Hospital that will help reduce the waiting time for patients needing planned orthopaedic surgery. The modular ward provides 10 beds that will be set aside for planned orthopaedic surgery, such as knee and hip operations.
- Patients in North Devon now have access to some of the very latest diagnostic equipment in the UK, as two new CT (computed tomography) scanners open at North Devon District Hospital (NDDH) in Barnstaple. £3m has been invested in the project, which includes £2.3m of Government funding.
- Our first Extraordinary People awards were launched in January. Patients, visitors and carers were invited to nominate staff members for the 'Excellent Care' award, recognising compassionate and person-centred care.
- In December the team from NDHT delivered their 100,000th vaccination, marking almost a year since the team first started vaccinating at the hospital hub at North Devon District Hospital.
- We become the first NHS Trust in England to gain accreditation to a new standard which supports people with extra communication needs. The Trust is now entitled to display the Communication Access symbol to show it has reached the standard required in accessible communication.

Research and development at NDHT

The focus this year has been managing research in a changing and challenging environment so that we can deliver research through the waves of COVID-19 while also growing our usual research activity. We have adapted to new ways of working along with the rest of the health care system, so that we can keep our staff and patients safe and while maintaining the quality of our research. It is important to acknowledge the positive input from the Trusts doctors, nurses, allied health professionals, support workers, pharmacy and laboratory teams, while they have been dealing with their day to day pressures. We have been fortunate to have successfully recruited into our core team but we have also had support from several temporary staff and a volunteer through the year. Here are some of the highlights for research and development for 2021/22.

Research activity

Over 600 participants joined a research study this year; the majority of these have been into COVID-19 research, including:

- **320 inpatients with COVID-19 enrolled into the ISARIC CCP study, the data links directly into SAGE.**
- **24 patients were enrolled into the RECOVERY, the largest COVID-19 treatment trial in the world enrolling over 47,000 participants. It has identified dexamethasone, tocilizumab, Ronapreve and Baricitinib as effective drugs to support the treatment of COVID-19 and eliminating several other ineffective drug treatments.**
- **The GENOMICC study has enrolled six patients this year and has recently reported on some key genetic differences with immune responses in COVID-19 patients.**

Allied Health Professionals Research activity

HERO (Home-based Extended Rehabilitation of Older people) study evaluated the effectiveness of the Home-based Older People's Exercise (HOPE) programme as extended rehabilitation for older people with frailty discharged home from hospital or intermediate care services after acute illness or injury. This study required the support of both acute and community Physiotherapists teams during a particularly challenging time for the NHS which was acknowledged by the study team as North Devon have a "winning formula". The Trust's target was 28 participants, but final recruitment by the team was 39 (140% of target).

We now have a Therapy Research and Innovation Lead for the therapy department providing strategic leadership for the development and integration of research, innovation and clinical effectiveness into practice across the therapy professions.

Commercial studies

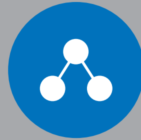
We opened our first two commercial studies for several years; both recruited their first participant within days of opening. The Cardiology and Upper GI surgical team have demonstrated great engagement working closely with the research team to identify potential patients for these studies. This success will pave the way for more commercial activity which will benefit our local population and enable to research department to invest in more capacity.

First academic department in the Trust

In a first for the South West, the Upper GI and Abdominal Wall Surgical Department was designated an Academic Department in July 2021. Under the leadership of Mr John Findlay, the department have over 250 academic publications between them, and lead on high quality research which directly benefits our local patients. The awarding of academic department status will enable the department to continue this pioneering work and ensures that our patients benefit from the wealth of experience both from the Trust and the University Of Exeter College Of Medicine.

Volunteer and research champion

Fenella Johnson joined the Research Team as a volunteer in December 2021 and assisted with the final data collection for over 100 patients in ISARIC CCP study. Fenella's role has progressed to one of Research Champion; assisting with the planning of Patient and Public Involvement and Engagement (PPIE) initiatives and acting as a practice participant in the walk-through activities undertaken by the R&D team for study set up.



Integration

In a first for the South West, the Upper GI and The integration of NDHT and the RD&E will enable access to a wealth of research expertise and clinical specialists in several research areas, which will benefit the Trust and its patients directly. As the two departments come together it will allow us tocombine and streamline some of our processes to release more research capacity. This will be an exciting year and see a wider range of studies available to our local population, impacting and enhancing the care they receive.

THE YEAR IN PICTURES

APRIL 2021

Two interns on the Project SEARCH programme for young people with learning disabilities have gained full-time employment at Northern Devon Healthcare NHS Trust (NDHT).

Chris Davies gained a full time position in his NHS dream role as a medical laboratory assistant at North Devon District Hospital.

The second intern to get a job was Emily Mock, whose journey into employment was a long one, having been thwarted at the onset of lockdown from employment in a department store, after being placed there in her previous supported employment course through Petroc.

NDHT began offering first doses to younger age groups and other eligible patients at the Leisure Centre. Andrea Bell, deputy chief nurse at Northern Devon Healthcare NHS Trust, said: "We're delighted to be vaccinating the next eligible age groups at the Leisure Centre in Barnstaple, and supporting our community in Northern Devon to get the best available protection from coronavirus.

MAY 2021

Northern Devon Healthcare NHS Trust welcomed Matt Hancock, the Secretary of State for Health and Social Care, to North Devon District Hospital on Tuesday 25 May 2021.

Mr Hancock, accompanied by North Devon MP Selaine Saxby, met with Suzanne Tracey Chief Executive Officer and members of the leadership team before being given a tour of the NDDH site.

Mr Hancock was shown the newly opened drive-through facility, improvements to our ED and the charity funded Fern Centre.

He also toured the hospital's new twin CT scanner suite and visited Tarka Ward, where he chatted with staff and patients.

JUNE 2021

Patients in Northern Devon now have access to some of the very latest diagnostic equipment in the UK, after two new CT scanners opened at North Devon District Hospital (NDDH) in Barnstaple in June 2021.

£3m was invested in the project, including £2.3m of Government funding. Northern Devon Healthcare NHS Trust used the funding to build a scanning suite, replacing an old CT scanner and installing a second CT scanner, and to provide the necessary infrastructure for the Trust.

People in Devon were urged to bring forward their second COVID-19 vaccination to reduce the interval between doses to eight weeks.

All adults became eligible to have the second dose of their COVID-19 vaccination eight weeks after the first.

JULY 2021

Eye patients at Bideford Community Hospital now enjoy a greatly enhanced service thanks to a generous £30,000 donation from the hospital's League of Friends.

The donation has enabled the hospital to buy an ocular coherence tomography-angiography (or OCTA) machine. This equipment takes pictures of back of the eye, and is a key diagnostic tool for diagnosing a number of conditions.

It is used for medical retina patients (the angiography part of machine, which allows more in-depth analysis) and diagnosing wet age-related macular degeneration, a common condition among older patients.

It will also allow more glaucoma monitoring clinics to take place.

Eight Project SEARCH students graduated on our NDDH site.

Project SEARCH, which aims to remove the significant barriers faced by people with learning disabilities looking for employment, has had success all over the world.

The programme runs over an academic year, during which the students work towards a City and Guilds Diploma in Employability and Personal Development. At the end of the year, they are helped to find paid employment within the hospital or elsewhere in the community.

AUGUST 2021

The Intensive Care Unit team from NDHT was one of three finalists in The Sun's Who Cares Wins awards.

The team was nominated by Kevin and Mandy Mitchell, following Mandy's treatment in the unit last year for COVID-19.

Mandy, who spent 96 days in the unit, told The Sun: "I have no recollection of the period in the coma, but every day doctors and nurses wrote me notes telling me I was doing great, that I was a fighter and could get better. It means the world to me."

(Picture courtesy of The Sun)

We are proud to have been able to show our support for the Virtual LGBTQ+ Pride and Diversity Festival held locally, organised by our friends at North Devon Sunrise.

North Devon Sunrise is a community support organisation offering a range of services and activities for the benefit of the local community

Teresa Sturm, Patient Experience Matron at NDHT said: "At Northern Devon Healthcare NHS Trust we are proud to be part of Pride Month and show our support for the LGBTQ+ community.

SEPTEMBER 2021

The pharmacy team at NDHT was thrilled to have won a prestigious prize in the Health Service Journal (HSJ) Value Awards.

The team won the pharmacy and medicines optimisation category with a project entitled 'medicines optimisation in orthopaedic enhanced recovery'.

This involved working with the multidisciplinary team in orthopaedics to reduce variation in medication use among elective hip and knee replacement patients.

In September we welcomed 28 third year medical students from the University of Exeter, who join NDHT at the start of their ongoing placements.

This is a record number of students on a single placement and expands our relationship with the university medical school.

The students were welcomed to NDHT by Dr Sadiya Gumi, Acute sub-Dean (North Devon) for the University Of Exeter Medical School and the team of Senior Clinical Tutors, plus MEC staff.

OCTOBER 2021

In October we kicked off our annual winter vaccination campaign. Here are some of the senior staff team getting their jabs.

A member of our staff featured at COP26, the world's largest climate action event.

Work by the Integrated Care System for Devon to promote the environmental benefits of virtual appointments was showcased at COP26 in a photography exhibition, "Care for the future: delivering the world's first net zero health service."

The photography exhibition, captured by portrait photographer Justin Lambert features NHS who have pioneered greener healthcare initiatives for the benefit of their patients and the communities they serve.

The exhibition for COP26 pictures Jo; an Advanced Occupational Therapist in Rheumatology based at Northern Devon Healthcare NHS Trust. She splits her time working in hospital and from home on her barge, delivering remote occupational therapy sessions to patients who might experience discomfort when travelling due to limited mobility.

NOVEMBER 2021

NDHT received national recognition for its work in raising awareness of the dangers of borrowing from loan sharks.

The Trust was recognised by the England Illegal Money Lending Team (IMLT) for its initiatives tackling loan sharks and making communities safer.

NDHT now has Partner Recognition accreditation and was the first NHS Trust in the Southwest to achieve this status.

Our maternity and neonatal teams are involved in a pioneering project called PERIPrem (Perinatal Excellence to Reduce Injury in Preterm Birth). The project aims to reduce the risk of brain injury and mortality in the smallest and earliest born babies. It is being rolled out across the South West before being rolled out nationally.

DECEMBER 2021

In December, the team from NDHT delivered their 100,000th vaccination. Marking almost a year since the team first started vaccinating at the hospital hub at North Devon District Hospital.

NDHTs Maternity and Neonatal services successfully passed their Baby Friendly Initiative Stage 2 assessments in November 2021.

The Baby Friendly Initiative is a worldwide, evidence-based, staged accreditation programme of the World Health Organisation and UNICEF. It was established to support health services to transform their infant feeding care. Evidence shows that Baby Friendly accredited hospitals have better outcomes and better experiences for parents and their babies.

JANUARY 2022

The Royal Devon and Exeter NHS Foundation Trust (RD&E) and Northern Devon Healthcare NHS Trust (NDHT) announced the appointment of Dame Shan Morgan as Chair. Dame Shan will take up her role on 1 April 2022.

FEBRUARY 2022

As part of National Apprenticeship Week 8-13 February, our Chief Finance Officer, Angela Hibbard, paid a visit to one of our apprentices on Tarka Ward.

MARCH 2022

The neonatal department at North Devon District Hospital took delivery of a very special piece of equipment, a tiny mannequin of a pre-term 25-week old baby, known as 'Premature Anne' funded by the charity New Life Special Care Babies.

It will be used in the specialist training of staff working with premature babies. When babies are born prematurely they require specialist care, interventions and often surgery from specially trained medical staff. These critical skills must be taught and practised to optimise results.

Work began on a new £1.9 million ward at North Devon District Hospital that will help reduce the waiting time for patients needing planned orthopaedic surgery.

A modular ward is being installed at North Devon District Hospital, which provides 10 beds that will be set aside for planned orthopaedic surgery, such as knee and hip operations.

KEY DEVELOPMENTS

NDHT and RD&E integration

After years of hard work and planning, in March 2022, Northern Devon Healthcare NHS Trust (NDHT) and the Royal Devon and Exeter NHS Foundation Trust (RD&E) announced that they would formally merge on Friday 1 April 2022.

The two Trusts have been working together under a collaborative agreement since 2018, and started exploring a more formal partnership back in December 2019.

In late 2020 the NDHT and RD&E Boards agreed to start preparing to merge the Trusts and submit their Strategic Case to NHSEI, and a full business case was submitted to in December 2021, beginning the integration programme in earnest.

The NDHT and RD&E Boards and RD&E Council of Governors gave their formal approval for the merger on Tuesday 22 March, and NSHEI gave their approval shortly after. The final step was completed on Wednesday 30 March 2022 when the Secretary of State for Health and Social Care gave his final approval for both Trusts to merge and become the Royal Devon University Healthcare NHS Foundation Trust on Friday 1 April 2022.

Why have we integrated?

Like other NHS organisations up and down the country, the RD&E and NDHT face the challenges of limited resources, recruitment issues, increasing demand for our services, managing waiting lists, and responding to the COVID-19 pandemic.

Due to its unique geographical area, Devon faces a number of issues which impact on the health and wellbeing of the population. For example, it has a growing older population and is one of the most sparsely populated counties in England. As a county, Devon has significant health outcome and life expectancy inequalities, and there are some areas of significant deprivation. Over the last decade, meeting the health needs of the population in Eastern and Northern Devon in particular has become increasingly challenging and complex.

The integration of the Trusts unlocks opportunities to improve the resilience and sustainability of the healthcare delivered to patients across all of the areas served, from North, to Mid, to East Devon.

In particular, the future of care delivery within the Trusts will be transformed through the use of digital systems. By removing the old traditional boundaries between organisations, patients and staff will experience a more joined up and consistent approach to healthcare.

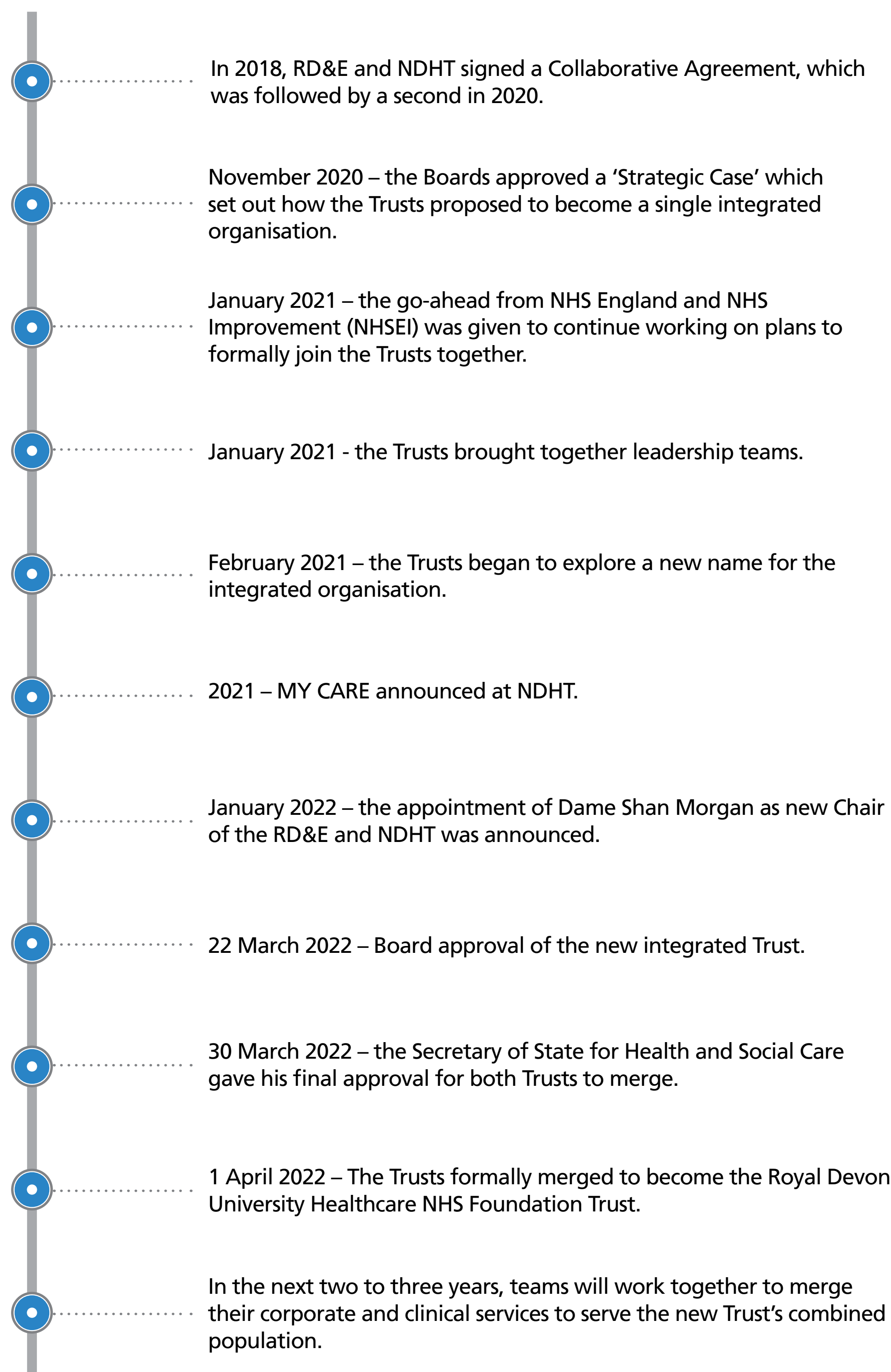
In addition, as one single Trust, we will enhance how our teams collaborate both in our strategic planning and day to day operational delivery. There will be more varied career options and the opportunity to gain additional experience, accessing a digital patient record system that will create more time for direct patient care, enhanced morale, a reduction in pressures on services and a culture of positive collaboration and shared problem solving.

Next Steps

The Trusts integrated on Friday 1 April 2022 to become The Royal Devon University Healthcare NHS Foundation Trust, with a combined annual core budget of £864m and more than 15,000 staff, providing core acute and community services and specialist services to a population of 650,000. Over the next two to three years, teams will work together to merge their corporate and clinical services to serve our combined population.

Our integration journey: a snapshot

The two Trusts have a long history of working in partnership to provide high quality healthcare to our communities.



MY CARE Northern Devon

The MY CARE Northern Devon programme has launched this year; its goals focus on the successful implementation of the Epic Electronic Patient Record (EPR) which will replace our current EPR and legacy systems from Saturday 9 July 2022. Going forwards, we will have a single patient record that can be accessed (depending on security levels) across all sites electronically. This means that regardless of which site our patients visit, or which clinical teams they see, we will be able to ensure all relevant information is available, additionally, clinicians will be able to access this information on mobile devices such as phones and tablets from any location, hence improving the experience for both patients and staff.

MY CARE
Northern Devon

The workflows for the Northern site have been developed using the same system that had already been in place across the RD&E but adapted to align with ways of working across NDDH and our northern community sites.

We have recruited over 500 Super Users to support the programme who will offer at the elbow support during our Go-Live period. Training for all colleagues using the Epic system begins on Monday 9 May to ensure colleagues feel confident in using the system prior to Go-Live.

From June, patients will be able to register for MY CHART, the patient portal through which they can access their own records.

Our Future Hospital

NDDH is one of 40 hospitals included in the Government's New Hospital Programme (NHP) which forms part of the wider Health Infrastructure Plan – a strategic long-term investment to ensure our healthcare system and its staff has the facilities it needs for the future.

Our Future Hospital programme is the Trust's response to this opportunity, and the programme team is working closely with the Department of Health and Social Care (DHSC) and NHS on the plans for redeveloping NDDH to provide better care for patients, an improved working environment for staff and help the NHS reach its net-zero carbon ambition.

OUR FUTURE HOSPITAL
Northern Devon

The Our Future Hospital Strategic Outline Case (SOC) for this investment opportunity was approved by the Trust Board in 2021, and has since been reviewed against the fundamental criteria by our regional NHS England and Improvement (NHSEI) team.

The next stage, which we anticipate to be from early summer 2022, will be discussion of our SOC with the DHSC, NHSEI and NHP team to gain approval and support to move to the detailed design stage of the business case.

The Green Plan

The national campaign for a Greener NHS was launched in January 2020, with the goal of working with its staff, hospitals and partners to share ideas on how to reduce the impact of climate change on public health and the environment, saving money and reaching net carbon zero emissions. This hugely ambitious programme seeks to mobilise more than 1.3 million NHS staff and set out a route map, with a date for the NHS as a whole to reach net zero carbon emissions by 2040.

To support this campaign, Northern Devon Healthcare NHS Trust (NDHT) and the Royal Devon and Exeter NHS Foundation Trust (RD&E) developed a Green Plan, which set out how both Trusts plan to go about achieving their long-term sustainability goals and 'Net Zero' targets. This plan will act as a sustainability guide to the design and implementation of the newly integrated Trusts' future services, and will provide a strong foundation to ensure that these environmental ambitions are embedded into everything we do.

The Green Plan, which was signed off by the joint Board at the end of January 2022, must now be delivered across an integrated Trust and is a key enabler of Royal Devon University Healthcare NHS Foundation Trust's corporate strategy. It will evolve as elements of the programme develop, setting out the communication and engagement objectives, approach, key messages, timeline for delivery, and outputs required to support the Plan's delivery.

Other related Trust initiatives, such as our developing travel to work policy, complement this new Green Plan, and will continue to be driven by their operational departments to meet their key objectives, messages and approach.

This Green Plan will be rolled out across the newly integrated Trust to ensure that we play our part in delivering this vital national Greener NHS campaign, which recognises that climate change has direct and immediate consequences for our patients, the public and the NHS, and that we all have a duty to help turn the tide.

DEVELOPING THE INTEGRATED CARE SYSTEM FOR DEVON

Work has continued throughout the year to prepare for the transition to the new Integrated Care System (ICS) for Devon which is now expected on 1 July 2022; to allow additional time for the Heath and Care Bill to progress through parliament.

ICSs will be led by an NHS Integrated Care Board (ICB); an organisation with responsibility for NHS functions and budgets, and an Integrated Care Partnership (ICP); a statutory committee bringing together all system partners to produce a health and care strategy.

In November 2021, the ICS was delighted to announce the appointment of former GP and MP Dr Sarah Wollaston to the role of Chair of the ICS for Devon. Sarah, who took up the role in December 2021, brings a wealth of knowledge and experience to this vital role.

At the same time, Jane Milligan was formally appointed to the role of Chief Executive Officer for the new Integrated Care System for Devon (ICSD), when it officially comes into being. Jane joined the Devon system in April 2021, having previously worked in north east London.

Devon is in the process of appointing to both the ICB and ICP.

Under new structural arrangements relating to ICSs, clinical commissioning groups will be dissolved. CCG staff will transfer to the new organisation and work closely with the three local authorities, NHS trusts, general practice, community services, mental health services, and the voluntary and community sector to provide joined up care that improves the health of all residents.

Central to the success of the ICS for Devon will be collaboration and partnerships, with organisations seeking to build on the progress made in recent years and the close working forged during the pandemic. Recent examples of partnership working include provider organisations in Devon providing mutual aid throughout the pandemic while all parts of the system have worked hard to create additional social care capacity in the face of severe operational pressures. The monthly One Devon Bulletin showcases successes and good practice in partnership working and collaboration across the system.

Devon had made good progress in starting to address longstanding financial challenges before the COVID-19 pandemic halted work to make the health and care system more efficient. NHS England is now providing additional assistance to make the changes needed through a new Recovery Support Programme. The level of support provided by NHS England is rated from one to four, with four being the most intensive support. The Devon system is being provided with Level Four support and welcomes the assistance in addressing these historic challenges and issues.

System achievements

Throughout the last year staff and volunteers across Devon have continued to rise to the challenge of rolling out the fastest vaccination programme in British history. More than 2.7 million COVID-19 vaccinations had been given in Devon by mid March 2022, with the team rapidly accelerating the booster programme in December in response to the Omicron variant. Over 93% of Devon residents aged over 12 have had at least one COVID-19 vaccine dose. Spring boosters began in March and vaccinations for all 5-11s are due to be offered in early April.

NHS Devon Clinical Commissioning Group has worked closely with diverse communities to ensure the vaccine programme is accessible to all. Support materials have been provided in over 30 languages. 39,303 vaccinations have been given across 338 outreach clinics by February 2022. These include: local mosques; workplaces with large numbers of migrant workers; bespoke sessions for people with learning disabilities, experiencing homelessness, asylum seekers and undocumented migrants; a mobile vaccination unit targeting areas of deprivation and clinics run with the Devon & Cornwall Chinese Association in Plymouth and Exeter. 20 Vaccine ambassadors have been recruited and worked with hundreds of people from diverse communities acting as trusted community members providing accurate information.

The vaccination programme has run against a backdrop of often very high community rates of COVID-19, leading to a high number of inpatients with COVID-19, high sickness absence rates and outbreaks among adult social care providers through much of the year. This has continued to affect capacity across Devon's health and care system and impacted on work to reduce the elective backlog caused by the pandemic.

Despite these significant challenges, additional facilities have been introduced to support elective and diagnostic capacity including modular ophthalmology theatres at University Hospitals Plymouth NHS Trust and a mobile urology unit at Torbay and South Devon NHS Foundation Trust and Northern Devon Healthcare NHS trust. The design and location of the NHS Nightingale Hospital Exeter has allowed the building to be adapted for new uses, and it opened in March 2022 to provide diagnostic scans, orthopaedic theatres, an ophthalmology unit and rheumatology services.

GOING OVER AND ABOVE FOR THE NORTH DEVON COMMUNITY

Over and Above is the registered working name of the Northern Devon Healthcare NHS Trust Charitable Fund. The charity supports the work of NDHT by investing in key areas such as equipment, patient and family support, capital projects, staff training and transforming our hospitals into more welcoming and comfortable environments. The charity funds 'over and above' what the NHS is able to provide to make a real difference to patients, their families and the staff that treat them.

In addition, the charity is responsible for raising the operating costs for the Cancer and Wellbeing Fern Centre. The Fern Centre exists to support patients throughout their cancer journey through the provision of services such as complementary therapies, counselling, bra fittings, hair loss support and support groups. 2021/22 was a breakthrough year for the Cancer and Wellbeing Fern Centre. First opened in 2020 during the COVID-19 pandemic, the services they were able to provide were limited to virtual and telephone appointments. However, they have since been able to phase in more and more services to support those living with and beyond cancer. We have busy raising funds for the Fern Centre garden which we aim to develop in the summer of 2022.

GRAHAM'S STORY

The news of my prostate cancer diagnosis had a catastrophic effect on both me and my wife. Life seemed to stop. We knew that we couldn't live with cancer being in me, even though it was diagnosed to be slow growing. The removal of my prostate was the decision we made together. I can admit that I was destroyed emotionally.

I did not know about the Fern Centre until the specialist urology nurses informed me. All types of information was supplied to me and the fact they also understood my wife was suffering was a great comfort. We both suffered to the same intensity even though from different directions. The cancer team picked up very quickly how we were both being affected and registered us both for personal counselling to help come to terms with the loss and fear we were feeling.

The team at the Fern Centre have been the best I can imagine. Nothing is too much trouble. It was like being wrapped in cotton wool; comforting, understanding and compassionate with excellent guidance. Linda, my counsellor, has helped me come to terms with my situation, something I don't believe I could have done on my own.

There is nothing to fear or worry about contacting them or using their services. I have taken a complete approach to the support they offer and will use everything that is recommended to speed up the recovery of both myself and my wife. This support was not available five years ago. Without it my recovery would be much more difficult, with it I believe that it will happen.

NORTH MOLTON COUNTRY FAIR

On Sunday 22 August Over and Above celebrated their inaugural North Molton Country Fair raising a brilliant £1,929.28. The event was organized in partnership with local Tesco stores and was well supported by the community. Those attending enjoyed live music, a variety of stalls, a climbing wall, tractor show, food stalls, mini-golf, go-karts and a dog show!

SQUAT CHALLENGE

100 squats a day is no mean feat, but that was not going to beat the NDHT Therapy Admin Team. Throughout the month of November they completed 100 squats a day – a total of 3000 squats. The team were even spotted squatting on holiday in exotic places like the Maldives, Westward Ho! Beach, Birmingham and Cheltenham!

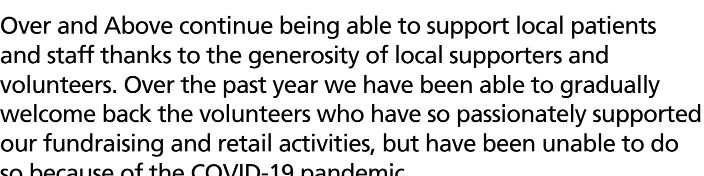
STEVE FOX

In the lead up to Christmas Steve Fox and his family arrived at the Caroline Thorpe Children's Ward with sacks full of presents. Steve Fox of Fox Plumbing and Heating North Devon raised an amazing £3,201 to purchase the toys so the children who come onto the ward will have lots of fun things to play with during their stay.

Steve arrived with so many toys that the charity needed a hospital bed to transport them up to the ward!

WESTWARD HO! CHARITY SHOP

Over and Above opened their second charity shop in May 2021 in Westward Ho! The shop was formerly run by charity volunteers at North Devon Cancer Care Centre Trust who have also greatly supported capital projects in the past such as the Seamoor Unit and Fern Centre. The shop undertook a large amount of renovations completed thanks to generous support from Tesco's and other local contractors. Despite having opened during the COVID-19 pandemic the shop continues to go from strength to strength.



Over and Above continue being able to support local patients and staff thanks to the generosity of local supporters and volunteers. Over the past year we have been able to gradually welcome back the volunteers who have so passionately supported our fundraising and retail activities, but have been unable to do so because of the COVID-19 pandemic.

We continue to look for new and exciting ways to fundraise and always welcome those who would like to get involved and make a difference to their local NHS. Further information on our charity can be found on www.overandabove.org.uk or on our social media pages.

USING PATIENT EXPERIENCE TO IMPROVE OUR CARE

The Trust continues to engage with and learn from patients and carers through feedback from a number of sources: complaints, concerns, the Friends and Family Test, Care Opinion, comments, national and local surveys, compliments, social media and other patient experience tools. Patient Reported Outcome Measures (PROMs) are also used to gain feedback.

Through listening to what matters most to our patients, families and carers and providing staff with the skills and knowledge of a range of quality improvement approaches such as always events and patient and family centred care (PFCC) we aim to deliver our patients the best possible experience of our services.

We believe that every member of staff is responsible for ensuring that our patients, relatives and carers have an excellent experience and we aim to ensure that all our staff use feedback to identify opportunities for improving the quality of our care. All correspondence is held centrally in our risk management system, Datix, and is therefore closely aligned with incidents, risks and compliments.

The Trust's chief nursing officer has responsibility at Board level for patient experience. This includes the delivery of the Trust's patient experience strategy and annual programme, compliance with the Friends and Family Test and demonstrating that the Trust has used patient experience feedback to improve the experience of care. Patient experience also features in the Trust's quality and safety strategy, placing it firmly at the heart of the Trust's continuous drive to improve the quality of services provided.

Video calling

Supporting patients to stay connected when visiting is restricted is crucial for health, wellbeing and experience. Video calling was introduced early in the pandemic and initially used to support end of life patients and their families along with patients that were acutely unwell and in need of virtual support, such as attending the funeral of a loved one.

As the pandemic progressed, national guidance was introduced recommending that 'virtual visiting' should be made available for all patients. All wards were allocated an iPad to facilitate calls for patients who do not have their own device, and this service has continued during 2021/22.

Patient communication

Early in the pandemic, the Trust introduced a communication service to facilitate friends and family to connect with their loved one whilst they are an inpatient and this service has continued during 2021/22. The sender is able to email letters, drawings or cards to the patient experience mailbox. Correspondence is printed out and delivered to the ward.

Proactive patient experience programme

The Trust's patient experience programme covers the majority of services provided by the Trust, seeking regular feedback from patients. The patient experience matron supports the better understanding of experience data and ensures it is used for learning and improvement.

The Trust's team of volunteer surveyors which routinely visits inpatient wards at NDDH and South Molton Community Hospital to collect patient feedback at the bedside is about to resume its role following a pause since March 2020 due to the pandemic. The ward and senior management receive a report on this feedback within two to three hours, allowing teams to act quickly on the feedback received. Subject to patient consent, selected patient comments are routinely used across Trust communication channels, internally and externally.

With an increasing reach, social media forms another feedback channel, together with online feedback from Care Opinion, NHS Choices, compliment cards/letters, postal surveys, focus groups, face-to-face engagement, contacts to our Patient Advice and Liaison Service and the Friends and Family Test.

The Trust's patient experience data is shared with both clinical and operational teams in the form of regular reports and the patient safety and improvement team in recognition of the importance of patient experience data in assessing the quality of NHS services alongside effectiveness and safety.

The services delivered by the Trust are always developing and patient experience data is used to help us understand the impact on patients of various transformation programmes.

Patient Experience Operational Group

The Trust's patient experience operational group (PEOG) is a sub-group of the Joint Patient Experience Committee and focuses on improving and sustaining patient experience, promoting co-production and co-design whenever appropriate. Through its work, the group ensures that we are listening to what matters to our patients and acting on patient feedback to continually improve the experience of care we offer.

Patient stories

Listening to, and learning from patient stories is fundamental to improving the safety and experience of our patients and carers. Patient stories are presented at every Board meeting, and during the pandemic we have ensured that the stories continued by holding virtual meetings and phone calls with patients, and sharing videos of feedback direct with Board members. Patient stories are obtained either from compliments, complaints, service transformation projects, letters from patients who have approached the Trust, or from staff who feel that one of their patients has had an experience which we can learn from.

Care Opinion

During 2021/22 the Trust has received and personally replied to 574 personal stories on the Care Opinion website and in the past 12 months Care Opinion stories relating to NDHT have been viewed by the public 39,600 times in total.

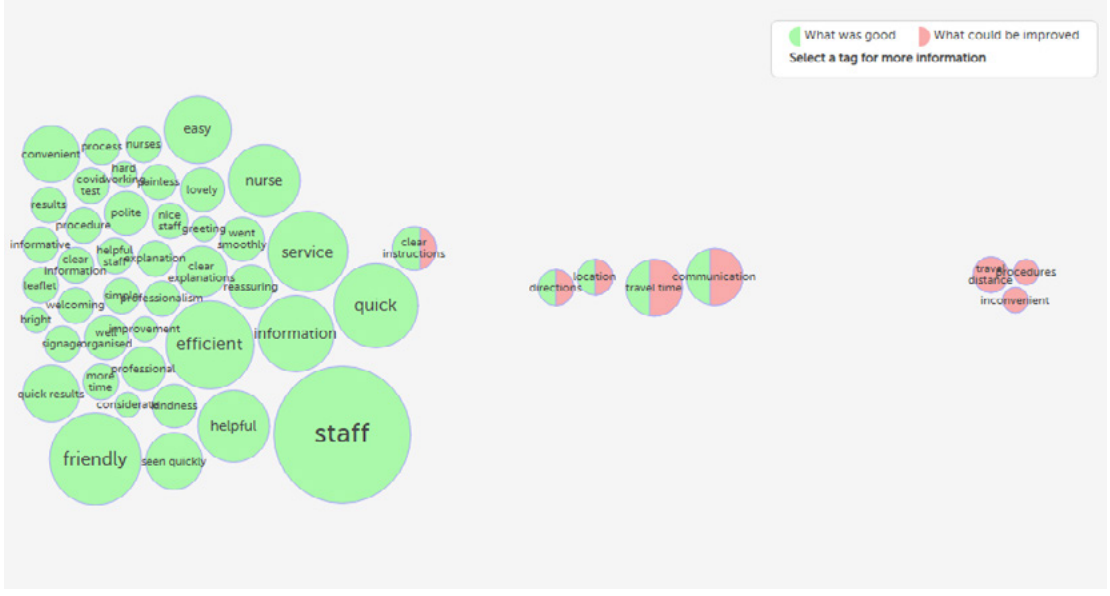
The advanced subscription trial that was undertaken by Cancer Services in 2020/21 proved to be successful and Care Opinion has now been rolled out Trust-wide for all of our services. This enables all of our wards, services and teams to maximise the impact of learning from our patients' experiences and to identify quality improvement opportunities from online feedback. In addition, services are able to respond personally to service users in real time to produce reports that help to recognise themes and regularly report to governance meetings.

Care Opinion is monitored by professional bodies and NHS regulators. The website allows us to demonstrate that we are 'listening and learning' to public feedback we receive. We achieve this by highlighting when we have made changes based on the comments made, signposting patients to appropriate services and linking them to service managers when more support is needed.

An example of using Care Opinion

During the implementation of our COVID-19 Swabbing Service, the department actively asked service users to leave feedback via Care Opinion. This enabled them to quickly identify areas for improvement in the rollout of a new service. Changes that were introduced following patient feedback included a postal service, relocation of the service to an area that was easier to access, information leaflets, new signage and test drop off points in different locations.

The diagram below displays the feedback we have received to date. The green bubbles represent positive feedback and the red bubbles represent areas for improvement. Responses to feedback were in real time and the department was able to celebrate positive feedback with the team.



Friends and Family Test

The overall Friends and Family Test (FFT) score Trust-wide for 2021/22 was very positive with 97.7% of respondents answering either 'Very good' or 'Good' to the FFT question 'Overall, how was your experience of our service?'. This score was based on 8,002 FFT responses.

Patients are routinely asked for the reason why they answered the FFT question in the way they did and for suggestions as to how the Trust might further improve the service they have experienced. The top subject themes during the year were care, staff attitude and communication. The feedback from these themes, which accounted for most of the qualitative FFT feedback received during the period, was nearly all positive. Patient comments received through the FFT are routinely analysed into positive and negative feedback, themed and presented regularly to the patient experience operational group. The FFT programme of work gathers feedback from the majority of services across the Trust.

The Trust routinely publishes the FFT results and detailed feedback on its website: www.northdevonhealth.nhs.uk/patient-experience

You said we did

		You said	We did
1	The Friends and Family Test	A hot meal should be available for patients at North Devon District Hospital in the evening following surgery.	We introduced the option on Roborough Ward and Lundy Ward of a hot meal in the evening for patients following surgery.
2	The Friends and Family Test	At cardio-respiratory appointments where a heart monitor is handed to the patient, a better diagram is required in the information sheet explaining how to fit it.	We reviewed and updated the written information that is handed to patients with a more life-like diagram for electrode positioning.
3	The Friends and Family Test	At a Bladder & Bowel Care Service appointment I attended at Crediton Community Hospital, I was disappointed that I was unable to have an examination after such a long wait because the nurse only had a dentist's chair rather than a proper examination table.	We agreed with RD&E the allocation of a more suitable clinical room at Crediton Community Hospital for use by our Bladder & Bowel Specialist Nurse.
4	The Friends and Family Test	I had my first appointment at South Molton Community Hospital and there was no one to ask questions as reception did not open until 9am. Staff should be available to help when you are having a clinic appointment.	We changed the opening time of the reception desk to 8.30am at South Molton Community Hospital.
5	The Friends and Family Test	Put a drinking water tap in the transitional care room in the Special Care Baby Unit so you didn't feel a bother ringing the buzzer for more water. They told me I wasn't a bother but feel like I was as that's just me.	We installed a water cooler in our transitional care room in the Special Care Baby Unit.

		You said	We did
6	Care Opinion	The telephone in the physiotherapy department is not answered and messages left on the answerphone are not collected and actioned.	We now have more staff in the physiotherapy department dealing with telephone enquiries and responding to messages left on the answerphone.
7	Care Opinion	The directions provided to the COVID-19 swabbing drive-through at North Devon District Hospital were not clear enough.	We updated our letters and leaflets to ensure that the directions to the drive-through were much clearer, and removed the old signage.
8	Care Opinion	Although an appointment had been booked at the COVID-19 vaccination clinic, I had to wait 1hr 15mins, while those arriving without an appointment were sent to the front of the queue.	We reviewed and changed our queuing system to ensure that patients who have booked are not disadvantaged.
9	Care Opinion	It was difficulty to contact the Eye Clinic by telephone.	We installed an answerphone.
10	Care Opinion	We had difficulties with transportation in attending a COVID-19 test prior to the consultation.	We introduced same day COVID-19 testing prior to procedure and self-swabbing packs that can be dropped off at a local community hospital for certain patient groups.

COMPLAINTS AND PATIENT FEEDBACK

We are committed to welcoming all forms of feedback, including complaints, and using them to improve services. The Trust strives to provide the best care. However when we do not get this right, complaints from our patients, carers and relatives are a vital source of feedback and we use themes to establish learning and identify quality improvement opportunities.

Complaint numbers and themes

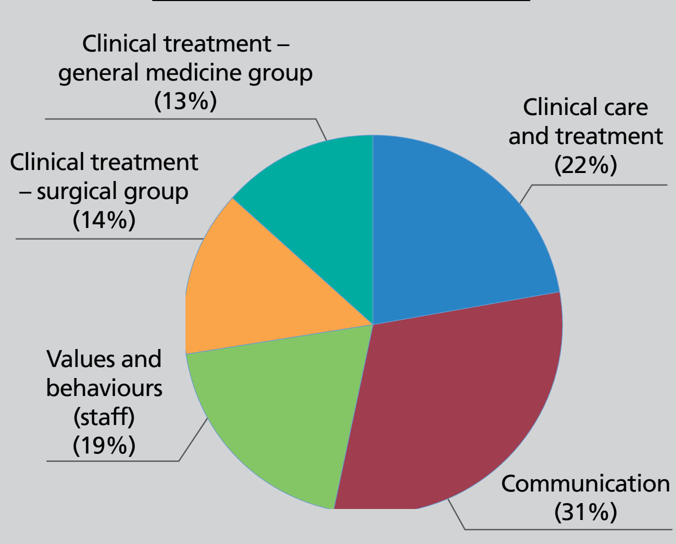
Complaints can originate by explicit request from a complainant or if a concern has not been resolved through the Patient Advice and Liaison Service (PALS). During 2021/22, 40 PALS contacts converted to complaints.

During this financial year (2021/22) the Trust received 151 complaints which is a 9% increase on 2020/21 (138). The top five complaint themes were communication (31%), clinical care and treatment (22%), values and behaviours (staff) (19%), clinical treatment – surgical group (14%) and clinical treatment – general medicine group (13%).

In 2021/22 1,533 PALS enquiries have been received which is an increase of 13% on 2020/21 (1,361). The majority of these PALS contacts are resolved as 'here and now' issues, with only 40 converting to a formal complaint. All service managers have access to their PALS data and live dashboards for discussion at team governance meetings as part of learning and improvement.

The Trust welcomes and continues to encourage the combined complaints and PALS activity as a positive reflection on how patients and service users feel able to provide feedback on their experiences.

TOP FIVE SUBJECT THEMES FOR COMPLAINTS RECEIVED 1 APRIL 2021 – 31 MARCH 2022



Key performance metrics

All complaints are required to be acknowledged within three working days in line with Trust policy and statutory legislation. During the year 99% of complaints were acknowledged within this timeframe.

The patient experience team telephones complainants on receipt of their complaint (where contact details are available) to discuss and agree a way forward, and a meeting with relevant senior staff/clinicians involved in the patient's/complainant's care is offered at the outset.

During this conversation, the issues for investigation and resolution are agreed with the complainant to ensure we adequately address the areas of concern and the timeframe of 45 working days is explained.

Complaint response and investigation performance

During the year 32% of complaints were responded to within either the agreed timeframe or within an agreed extension to the initial timeframe, which is lower than the performance for the previous financial year (2010/21) at 40%. This is partly due to the challenges imposed by COVID-19.

The four main reasons for a late response are division delay with the investigation, Executive review process, division approval of draft, and Executive amendments.

In order to monitor and prevent late responses to complainants, the timeliness of investigations is reported via the monthly divisional performance and governance review meetings.

During the year 34 of complaint investigations were returned to the patient experience department within the assigned timeframe to meet the response time to the person raising the issue. Each division is now supported by a specific complaints case handler and has access to live dashboard.

The four main reasons for a late response from the division are a delay in the clinician's response, annual leave / sickness, awaiting external reports, and further details being requested following clinical review.

This may have been affected by staff undertaking additional or different roles during the COVID-19 pandemic and is monitored at divisional governance meetings.

Closed complaints

During the year 146 complaints were closed following investigation and 54 were either upheld or partially upheld (37%). To provide evidence of learning and improvement SMART actions are recorded on the Trust's reporting system (Datix) along with supporting documentation to provide assurance the action has been completed. The monitoring and learning from actions is shared and reported at specialty and divisional governance meetings.

The following are some examples of learning from complaints:

- Updating the patient safety checklist to include pain score assessments
- Installation of call bells in the new rooms in ED
- Discharge checklist amended to include catheter care
- Introduction of patient property baskets in ED

Parliamentary and Health Service Ombudsman

When a complainant is either unhappy with our complaint response or the way their complaint was handled by the Trust, they have the right of redress to raise their dissatisfaction with the Parliamentary and Health Service Ombudsman (PHSO). The PHSO will review their concerns and the Trust's management of their complaint, including the outcome of the Trust's investigation.

Where possible, and in line with the complainant's wishes, the Trust undertakes many attempts of resolution to try and resolve any outstanding areas of dissatisfaction. A complainant can approach the PHSO after this process or as soon as they receive their complaint response. The table below shows the number of cases the PHSO contacted the Trust during this financial year (one), alongside outcomes of their review concluded within the year (which could relate to cases from previous financial years).

Of those cases referred to the PHSO, one was not upheld, two were partially upheld and recommendations made, two were not investigated and four cases were under initial review. The PHSO's formal investigation involves expert clinical advisors who review the patient's care and treatment alongside the concerns raised, and their investigation outcome is final.

Table: Complaints referred by outcome

	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Request received from Ombudsman	0	0	0	0	1	0	1	0	1	0	1	0	4
Issue NOT upheld with no further action	0	0	0	0	0	0	0	0	1	0	0	0	1
Issue upheld and recommendations made	0	0	0	0	0	0	0	0	0	0	0	0	0
Issue partially upheld	0	1	0	0	1	0	0	0	0	0	0	0	2
Decision by Ombudsman NOT to investigate	0	0	0	0	0	0	0	1	0	0	0	1	2

Concerns raised directly to the CQC

During the year, no concerns were raised directly to the Care Quality Commission (CQC) from a complaints' perspective.

Summary of main themes of PALS issues/matters

The overall number of PALS contacts received in the year was 1,533 and the vast majority of these contacts are resolved as 'here and now' issues, with only 40 converting to a formal complaint.

The top five PALS themes were:

- Communication (51%)
- Appointments (24%)
- Access to treatment or drugs (13%)
- Values and Behaviours (Staff) (6%)
- Trust admin / policies / procedures (6%)

All service managers have access to their PALS data for discussion at governance meetings as part of learning and improvement.

Compliments

It is important that we learn from both positive and negative patient feedback to improve the experience of patients, relatives, carers and staff. In 2019 we introduced changes to our recording system to allow staff to document compliments that are received for their service. The number of compliments recorded has increased since the introduction; during 2021/22 we recorded 1155 plaudits throughout the Trust. The compliments are used to share best practices, improve both patient and staff experiences, ensure safety and quality and increase staff morale. In addition, compliments are reported to the Trust board, governance meetings and governing bodies.

Table: Compliments by first received (2021/22)

Financial quarter	19/20	20/21	21/22
Q1	23	241	339
Q2	27	270	277
Q3	192	345	290
Q4	215	329	249
Total	**457**	**1185**	**1155**

The top five areas for reporting compliments during 2021/22 were:

- Emergency Department
- Victoria ward
- Central Delivery Suite / Labour Ward
- Multiple locations (NDDH) – the compliment related to more than one department
- Seamoor unit (Chemotherapy)

The compliments arrive via a variety of methods including 'thank you' cards, letters and email. We also receive compliments via our Wonderwall which is situated in the main entrance of NDDH, which allows the public to leave messages of support for staff and departments.

Carers

The Trust recognises how important carers are and value their input. As part of our 'Commitment to Carers' we are collaborating with Devon Carers and other organisations to meet objectives in the NHS Long Term Plan. The Trust is keen to involve, support and learn from carers lived experience of the challenges they encounter.

During the pandemic we have prioritised our work with Devon Carers to ensure that carers are signposted for support wherever possible. The Trust offers free parking and discounted meal vouchers to unpaid carers when supporting the person they care for as an inpatient. The ward discharge coordinator and patient flow team play a key role in identifying and referring unpaid carers to the Devon Carers Hospital Service, many of whom do not recognise themselves that they qualify for support. Devon Carers is an organisation funded by Devon County Council (DCC) and the NHS to provide support for unpaid carers across Devon and they now have honorary NHS Contracts to work within NDHT and the RD&E.

IMPROVING PATIENT, VISITOR AND STAFF EXPERIENCE THROUGH OUR NON-CLINICAL SUPPORT SERVICES

Food

During 2021/22 we changed the way patients order their meals, from a paper menu to an electronic meal ordering system, where a member of the Sodexo team takes each patient's order using a tablet a couple of hours prior to the meal service. The benefit to the patients is that they get to choose their meal closer to the service time rather than to order their meals the previous evening.

Hydration and Nutrition week took place from 14-20 March, which promotes the importance of nutrition and hydration. Our activities included adding a variety of different snacks, exotic fruit salad to the menu, a global tea party, offering all our patients a cream tea. Free fruit was offered to all staff in the restaurant to celebrate fruity Friday.

Due to the pandemic the restaurant extended their opening hours from 7am until midnight to allow staff that are working longer shifts or covering shifts at short notice to access hot meals later into the night. As the situation eased the opening hours have changed from 7am – 7pm with staff still being able to purchase ready to cook meals from our onsite vending machines. To support staff health and wellbeing initiatives the restaurant continues to offer staff a 32% discount.

In June 2021 more plant based and vegan chocolate and crisps were introduced into the shop and almond and soya milk added as a milk choice in the restaurant. The retail team continues to keep pace with the surge in demand for more plant-based food. During January and February 2022 we celebrated and promoted Veganuary with the restaurant running a plant-based lunch option every Tuesday which proved very popular. We have also increased our vegetarian and vegan across our breakfast menus.

August 2021 saw the reopening of the café on the main concourse after being closed since the start of the pandemic in March 2020.

PLACE/Cleanliness

Patient-led assessments of the care environment (PLACE) are a national requirement on an annual basis in the NHS. The assessment focuses exclusively on the environment in which care is delivered and does not cover clinical care which has an impact on the patient's experience of care. The regular national PLACE collections for the last two years have not gone ahead due to the pandemic.

New National Standards of Healthcare Cleanliness was released in May 2021, the document encompasses all cleaning tasks throughout the NHS regardless of which department is responsible for the elements and replaces the National Specifications for Cleanliness in the NHS 2007. To encourage continuous improvement they combine mandates, guidance, recommendations and good practice.

The Trust and Sodexo have also been looking at innovative ways of cleaning. Sodexo arranged a trial during March 2022 for a pioneering new Lionsbot cleaning robot to clean floors, the trial has taken place on the main concourse and level 0 corridors.

Parking

It is free to park at a number of our sites, and there are spaces at all sites which allow free parking for blue badge holders. Car parking still remains free for all staff currently. The Government funding for free staff parking ends on 31 March 2022 and we will be reinstating charges Friday 1 July.

The charges at NDDH for visitors and patients have not increased since October 2010 and continue to be some of the lowest in the south west and in the NHS. Concession tickets are available for patients who require frequent treatment under long term care. Parking is also free for parents/carers of sick children who stay overnight, (maximum of two vehicles). We continue to monitor and invest wherever possible in our car parks and a new Automatic Number Plate Recognition System has been implemented at NDDH.

Waste Management

The Trust is currently reviewing the management of the different waste streams with the following aims; reduction in total waste, increase recycling, increase re-use, process waste on site, reducing volume of waste required to be removed from site, leading to the reduction for expensive external transport and disposal of the waste.

With the above proposals we will be putting into place plans which ensure our carbon reduction targets are achieved and future technology is utilised in our forward thinking Trust

Procurement

It's been another extremely busy year for the Procurement and Materials Management Team with diverse projects being supported.

In order to ensure our clinical teams and patients remain safe during the pandemic they have continued to manage the inventory levels, as well as the dissemination of Personnel Protective Equipment (PPE) to our wards and community sites.

Along with the multiple medical equipment purchases as part of the Trusts capital replacement programme the team have been heavily involved in supporting the activities of the Our Future Hospital (OFH) programme with multiple successful procurements, as well as support for the Electronic Patient Record (MY CARE) implementation.

With the emphasis on the COVID-19 recovery agenda this has also led to the procurement of the new modular ward and all associated equipment which was secured following high engagement with other multi-disciplinary teams.

The world situation with supply disruption has meant the team have supported clinical teams in not only securing current products, but also identifying and ensuring delivery of suitable alternatives when required.

Although the Procurement Team work collaboratively with neighbouring trusts as part of their everyday work, and as part of the wider south west Peninsular Purchasing Supply Alliance (PPSA) procurement consortium the team have also been exploring opportunities for increased collaboration following integration with the RD&E.

Improving the built environment

The Estates Team has continued to transform the Trust estate through this last year, enabling departments to adapt during the pandemic and provide a more attractive space for staff, patients and visitors.

We have seen the completion of a £2.2m CT project which now gives the Trust two new state of the art CT scanners and suites, doubling our previous capacity. Along with this, all of the Radiology suites, including two suites in ED have been refurbished with new cutting edge Siemens X-ray equipment being installed.

In January, we broke ground to begin works on replacing the NDDH water main around the site. The existing main was circa 50 years old and beginning to show signs of degradation, the new main will provide assurance to Trust for our existing buildings along with the proposed extension as part of the Our Future Hospital programme. These works were completed in April 2022.

With ever changing circumstances within the Trust and the constant struggle for space, NDHT purchased a property in 2021 local to the hospital called Devonshire House. This property has under gone an exciting transformation over the last six months and is now a modern, fresh office work base. Devonshire House accommodates 140 staff with the flexibility of hot desking, through an I.T booking system. Providing off site accommodation for our non-clinical staff will enable the Trust to repurpose accommodation at NDDH to maximise the clinical space available for treating patients.

Following on from the pressures COVID-19 has created nationally with Orthopaedic surgery, the Trust secured £2.2m with the decision in November of 2021 to increase ward capacity in order to tackle the back log of operations caused by the pandemic. To ensure a speedy turnaround and as little disruption to the NDDH site as possible, it was decided the best route would be to embrace a 'Modern Method of Construction' (MMC) technique, in this case, a modular building. After a tendering process a company called Wernick Building Ltd was awarded the contract. On Tuesday 1 March 2022 the Trust took delivery of the modules, overseen by the Estates Capital Team. After two long days and a fantastic effort by all involved, the modules were all in place. This valuable space will create a compliant 10 bed ward, due to be completed in May 2022.

A little over a week later, the Capital Team triumphed once again. This time, in a time critical operation of removing a three storey high modular office space from the Exeter Nightingale site, transporting the modules to NDDH, reconfiguring the layout and installing them adjacent to the Ladywell building in just two days. These units are now being modified inside to accommodate circa 40 staff including space to support the roll out of our new Epicbreast EPR and office space for clinicians to repurpose space within the main hospital footprint.

Whilst there have been several large projects undertaken during 2021/22, there have also been many smaller projects taking place to improve staff health and wellbeing. Capener Ward and Clinical Support and Specialist Services (CSSD) staff rooms have been modified to incorporate kitchenettes, whilst other areas have received a complete redecoration. Outdoor areas that were once overlooked have now been transformed in to inviting rest areas for staff along with two areas being created adjacent to the Raleigh Galley Restaurant at NDDH.

2021/22 has been yet another exciting year but 2022/23 is looking to be just as exciting with continued efforts to improve on health and wellbeing projects following integration with the RD&E.

DEVELOPING OUR NEW STRATEGY

In developing the new strategy, the Boards were keen to ensure that it was real and meaningful to our staff, reflected what was important to our patients, and was aligned to the plans and aspirations of our partners. To enable this, we carried out a widespread engagement campaign over several months so we could co-create our strategy with our staff and stakeholders to ensure it would make a real difference to the lives of people within the Devon communities that we serve. The new strategy is to be launched within the first quarter of 2022/23.

Phase 1: Shaping our strategy

We held conversations with the Board and our Governors to ask what our common purpose should be, what we needed to change by 2027, and what behaviours we would need to demonstrate to achieve this. We also looked at a range of evidence including CQC reports, patient feedback, staff survey feedback and the nominations in our awards schemes.

Phase 2: Learning from COVID-19

When the COVID-19 pandemic hit us, we had to very quickly adapt and transform our ways of working so that we could continue to provide our services in a safe way. We decided to spend some time evaluating these changes and asking our staff and service users what their experience of these changes had been. This helped inform how recovery from COVID-19 impacts our future strategy.

Phase 3: Piloting our strategy

We finished our engagement by testing our strategy to check we were focusing on what was important. An online survey was sent out to all staff alongside running feedback discussions at existing staff forums and smaller open staff conversations. The key questions that were asked:

- What their initial thoughts were on the proposed new mission and objectives
- If they thought anything was missing
- What they would most like our new Trust to achieve
- Which values and behaviours were most important to them

We had so much insightful feedback, and were able to hear from multiple staff groups including staff side, staff group representatives, managers – all from a variety of different departments.

KEY RISKS AND ISSUES

Operational

COVID-19 continued to impact all areas of our business throughout 2021/22: clinical, workforce and operational. As we move out of the most acute period of the pandemic and look to the future the greatest risk remains how the NHS recovers from the longer-term impact on the health of the population.

The prolonged duration of the pandemic has seen all waiting lists increase significantly and recovery of this position is a national focus; an Elective Recovery Fund was established in 2021 and the Trust is utilising these funds to treat patients as efficiently as possible.

Whilst we are committed to achieving all the NHS constitutional standards, i.e. waiting time and treatment targets, the level of capacity we can deliver has been adversely impacted by COVID-19, restricting our ability to achieve the national level of operational performance.

We have delivered a significant amount of service transformation in a short space of time during the pandemic. The Trust were also successful in gaining a TIF (Targeted Investment Fund) bid which has enabled us to precure an additional modular ward, which will become operational in May 2022. This ward will be an elective orthopaedic surgical ward to support our recovery and reduction of waiting times in orthopaedic surgery.

On Friday 1 April 2022 the Royal Devon & Exeter NHS Foundation Trust and Northern Devon Healthcare Trust merged to form Royal Devon University Healthcare NHS Foundation Trust. The Trust will now explore cross site working, whilst also benefiting from the continuing development and greater collaboration across the Devon network.

Finance

The continued presence of COVID-19 and the threat of further waves represents a significant financial and operational risk to the Trust. The increase in infections in the community results in an increase in staff sickness, therefore resulting in an increase in bank and agency usage to ensure staffing levels are maintained.

In addition, high COVID-19 rates lead to hospitalisations which increase the operational challenges within the Trust, resulting in further use of escalation beds requiring additional staffing and driving cost growth.

As we recover from COVID-19 the impact of future waves of infection as well as urgent care pressures impacts on the Trusts capacity to continue with high levels of elective care, with the risk of prolonged periods of elective cancellations. Under the elective recovery fund guidance this has an impact financially due to the claw back of income on any non-achievement of 104% thresholds of 2019/20 activity baselines.

There is also a national issue of 'missing demand' as elective referrals have not yet recovered across the board to pre-pandemic levels. This is likely to lead to an increase in demand in the future which will be difficult to deliver within current capacity as waiting list recovery is already challenging, but the acuity of presentation also increases, driving up the time patient area in our care and therefore the cost of treatment.

The economic environment also poses a significant financial risk to the Trust. The rising costs of inflation above funded levels, in particular energy prices, will see pressure placed on non-pay budgets. In addition, the impact of the rising cost of living on lower paid staff risks a recruitment and retention deterioration due to more lucrative roles being available outside of the NHS, further driving up cost in temporary workforce.

Finally, the changing financial guidance has created a financial risk due to the level of uncertainty on future longer-term planning. Short time frame changes in elective recovery guidance in particular thresholds to reach and value of income received changes the financial evaluation of decisions made. The Trust welcomes the expected stability in the finance regime going forward to provide a greater level of certainty in planning.

Quality

In March 2022 the Care Quality Commission (CQC) published its report following an inspection of the Devon and Cornwall Sexual Assault Referral Centre, Paediatric Service. The CQC inspection took place in March 2021 with a further desk top inspection in December 2021.

The Trust provides the Children's Centre of Excellence based in Exeter. This is a service for children across Devon, Cornwall and the Isles of Scilly who have experienced sexual harm.

The initial CQC inspection found that the service strengths were in its proactive approach to safeguarding and partnership working particularly with the Police and Children's social care. They also noted the consistently positive patient feedback and specifically highlighted that the staff were caring, compassionate and felt well supported in this sensitive speciality.

The inspectors reviewed eight patient records and found that the medical proformas were not complete and contemporaneous. In response to this finding the service quickly developed an action plan including regular notes audits to monitor and address this issue and the implementation of new medical proforma for clinicians to complete. The action plan was submitted to the CQC and was later reviewed along with the revised medical proforma and subsequent notes audits during their desk top inspection in December. The CQC then confirmed that the service was now fully compliant and an overall rating of 'good' was awarded.

In November the Care Quality Commission published its report following its unannounced inspection of medical care at North Devon District Hospital in July 2021. This applied to the care provided in our Victoria, Capener, Tarka, Staples and Fortescue Wards.

The CQC undertook the inspection to understand how the staffing challenges we face in Northern Devon impact on our services and the care we deliver to patients.

The CQC found that the shortage of medical and nursing staff meant that patient safety was not always maintained.

The overall rating was 'requires improvement' with the caring domain being rated as outstanding and good for the responsiveness domain. A comprehensive action plan is in place with many of the actions completed. The remaining actions are being monitored through to completion by the Joint Safety and Risk Committee.

The Ockenden

Final report from the independent review of maternity services at the Shrewsbury and Telford Hospital NHS Trust (SaTH) was published on Wednesday 30 March 2022 following a five year review of maternity care at SaTH.

Since the publication of the first report from the inquiry in December 2020, the Board of Directors in both Public Board and in Board sub committees has received assurance regarding the Trust's delivery against the identified seven immediate and essential actions to improve quality and patient safety across maternity services nationally.

This has also included:

- The Board assurance process for providing a clear line of sight of maternity services has been reviewed and strengthened.
- A further review of the workforce establishment and skill mix was undertaken, and investment made to deliver on the consultant-led ward rounds and to meet the full midwife requirements of birth rate plus.
- Ockenden suggests multidisciplinary teams will work better together and there has been investment in training; and to further support multidisciplinary team working culture, a development programme for leaders in our Northern location was commissioned.

Our people

Our compassionate and dedicated staff are our greatest asset, but the significant shortages in workforce nationally also means that workforce shortages in key specialties is one of our greatest risks. As the most remote hospital in mainland England we are competing for the same scarce workforce pool as larger teaching hospitals and research institutions. This risk has been heightened during the period we have been managing COVID-19, but we have continued to look for ways around such challenges.

To mitigate this risk we continue to think innovatively regarding our workforce models and consider workforce availability in all our plans. Our workforce strategy balances the short to medium term need through ethical international recruitment with the longer term 'grow your own' local workforce and training.

We continue to work with local schools and college to promote healthcare as a career choice. COVID-19 has presented challenges with this but we have managed to find ways to establish 'virtual' events for students, which have benefitted from great support from managers and clinical staff to promote healthcare as a valuable career choice.

We have continued with our apprenticeship programmes across a wide span of clinical and non-clinical areas. In addition, we have resumed work with the Business Academy with Petroc College to provide work experience for students.

The Trust has continued its partnership with Petroc College in Barnstaple, which has established a 'flying faculty' from Bolton University to be able to offer nurse degree training locally, creating career opportunities and a future nursing workforce for northern Devon. Further work has also been undertaken to explore this route to qualification in order registered shortage trades such as Occupational Therapy and Physiotherapy.

The collaboration between NDHT and the RD&E has also helped to mitigate the workforce risk, with a number of areas establishing more formal close working relationships. This has enabled us to think more innovatively about workforce solutions supporting both locations.

The 'Hard to Fill' task and finish group has continued to pull together a multi-disciplinary team to target specific roles that have been traditionally hard to fill. This group explores alternative routes to attract and recruit candidates into positions which have traditionally been hard to fill. The group has achieved success in a number of roles and has now moved to establishing a joint working group with the RD&E to target specific roles, some of which are hard to fill at both trusts, and are also on the national occupational shortage list.

Work has also commenced to look at ways of overcoming the shortage of housing in North Devon, and the trust has established links with the council, social and private housing sources, with a view of identifying suitable accommodation for NHS staff who wish to move to the area.

PERFORMANCE ANALYSIS

OUR PERFORMANCE

The Trust's performance is monitored against key National Standards and the Trust Board regularly reviews progress against a range of internal and external metrics. 2021/22 was a challenging year working to recover elective activity following the impact of the first wave of COVID-19 in 2020 when elective activity ceased in line with national instruction for three months, and the increase in referrals following the early lockdowns.

The Trust put in place multiple improvement plans and our clinical and operational teams worked hard throughout 2021/22 to deliver against these plans. Those improvement actions have begun to deliver the desired performance improvements against standards for patient flow, elective access wait times and diagnostic performance. In summer of 2022 following a long stable period there was a rise in the number of inpatients with COVID-19. This along with increasing numbers of patients experiencing delays in their discharge from hospital due to lack of packages of care, placement in residential or nursing homes to support their needs on discharge from hospital. This resulted in hospital beds intended for elective surgical patients had to be re-purposed to support urgent care demand.

Unfortunately, this caused cancellation of inpatient and day case surgery for many patients throughout the second half of the year. This also resulted in longer waits in the Emergency Department where patients requiring emergency admission waited longer for beds to become available.

This has resulted in some of our performance being below where the Trust would have wanted it to be. We continue to work hard to focus on improvement in these areas but recognise that the recovery phase following COVID-19, returning to our previous waiting list performance and taking longer than had been originally expected.

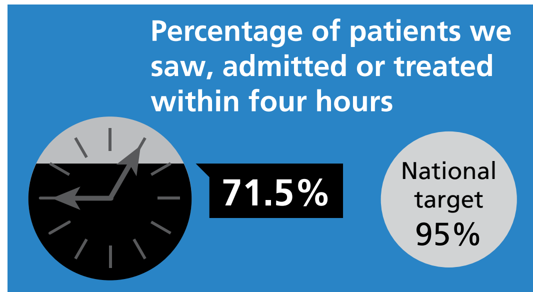
The Trust was successful in a bid for national funding which has enabled the Trust to purchase a new modular ward which is to be used for patients undergoing planned orthopaedic surgery. The ward is due to be operational early in 2022/23 and this will increase our capacity to treat patients awaiting orthopaedic surgery and as this means there will be an increase of 10 extra beds in the hospital it increases our capacity for urgent care.

COVID-19 continued to pose many challenges into 2021/22 and the staff of Northern Devon Healthcare NHS Trust worked extremely hard during very challenged times throughout the year.

		Performance			Quarterly trend 2021/22			
		Target	2020/21	2021/22	Q1	Q2	Q3	Q4
Referral to treatment times	Percentage incomplete pathways less than 18 weeks	92%	59.4%	56.6%	63.1%	61.4%	59.8%	56.6%
Over 52 week waits	Patients wait-ing more than 52 weeks without treatment		1711	1624	1099	1174	1316	1624
Over 78 week waits	Patients waiting more than 78 weeks without treatment		128	174	220	287	141	174
Over 104 week waits	Patients waiting more than 104 weeks without treatment		0	8*	0	3	5	8*
Diagnostics	Percentage of patients waiting more than 6 weeks for a diagnostic test	1%	52.3%	55.9%	61.5%	57.3%	53.6%	55.9%
Waiting times	Percentage of ED, MIU and WIC attendances waiting less than 4 hours	95%	84.9%	71.5%	84.2%	76.3%	72.6%	71.5%
Cancer	Percentage treated within 62 days from urgent GP referral	85%	84.6%	61.3%	87.4%	67.3%	54.3%	61.3%
COVID-19 inpatients	Number of COVID-19 inpatients		1	77	0	5	7	77
Green to Go patients	Number of Green to Go patients		18	78	35	43	49	78

- Includes patients transferred to NDHT from UHP for treatment

Trust's performance against the 4 hour target



2021/22 was an extremely busy year for our emergency department (ED) and urgent care services with many more patients coming through the doors than in the previous year. A total of 59,349 patients attended the ED in 2021/22, compared to 44,131 attendances in 2020/21. However in 2020/21 the number of patients attending ED dropped significantly following the start of the COVID-19 pandemic. In 2021/22 not only did the number of attendances increase, but exceeded pre-pandemic levels.

During the pandemic the emergency department had a requirement to allocate separate areas for patients testing or suspected to be positive with COVID-19. A modular extension to the building began to be utilised in August 2021, increasing the ED trolley spaces by six. Building work was also completed to provide a second x-ray room within the ED, this provided the ability to keep COVID-19 positive and non-COVID positive patient flows separate.

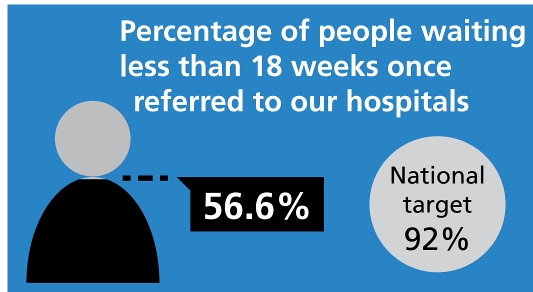
In 2020 it was necessary to temporarily close Minor Injury Units (MIUs) in Bideford and Ilfracombe to provide adequate staffing in the ED at NDDH. Due to the expansion of the ED and ongoing COVID-19 pandemic an increase in nursing staff was required and so the MIU's remained closed during this period. In partnership with New Devon CCG temporary arrangements were put in place at Ilfracombe MIU to help deal with the increase in population over the summer holiday period.

As anticipated the Emergency Department was very busy throughout the summer holiday period, with high numbers of visitors to the local area.

As the number of COVID-19 inpatients and COVID prevalence within the local community increased in late summer 2021and then continued to rise in the autumn, the Trust saw an increase in delayed discharges due to the unavailability of care packages and placements in residential and nursing care homes.

As a result of patient flow throughout the organisation has been very challenged, with beds were not readily available for patients to be admitted from ED. The number of patients who were treated and discharged or admitted within 4 hours reduced during this period of time. This led to one of the most challenged winters the Trust has faced.

Referral to treatment targets



The percentage of patients receiving treatment within 18 weeks of referral has reduced slightly since the beginning of the financial year. In March 2021, 59.4% of patients received treatment within this target. In the first six months of the year performance improved and exceeded 60%.

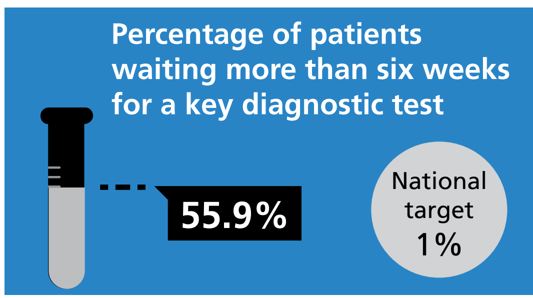
However in the second half of the year there was an increase in the number of patients in hospital with COVID-19, and a corresponding increase in the number of patients in hospital whose complex discharges were delayed (green to go). We were able to reduce this slightly by re-purposing the elective orthopaedic ward to create additional beds to support patients who were admitted as an emergency. Following a spike in COVID-19 cases in December, in the last three months of the financial year both the elective orthopaedic ward and day surgery unit were used to support urgent care. The one remaining elective surgical ward also had to be re-purposed to increase capacity for patients admitted as an emergency, those with COVID-19 and patients with complex discharges who needed on-going care following discharge.

Since December 2021 the percentage of patients treated within 18 weeks fell below 60%, ending the year in March 2022 at 56.6%. Throughout this challenging time the Trust prioritised the treatment of patients with the highest clinical priority.

The total number of patients with an open referral to treatment pathway was 13,287 at the end of 2020/21 and this figure at the end of March 2022 rose to 19,392 as waiting times have increased due to the pressures of urgent care, Covid-19 and delayed complex discharges.

Despite an increase in the number of patients awaiting treatment, and increasing waiting times, the number of patients waiting over 52 weeks for treatment reduced slightly from 1,711 at the end of March 2021 to 1,624 at the end of March 2022.

Diagnostics



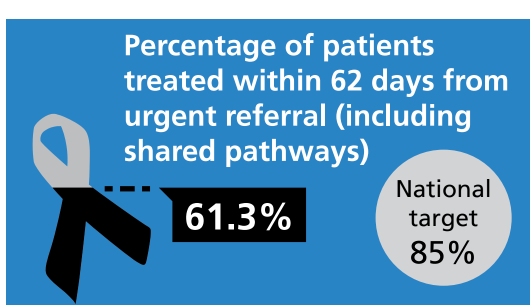
The Trust began 2021/22 with 52% of patients waiting more than six weeks for a key diagnostic test as a direct consequence of reduced capacity due throughout the COVID-19 pandemic.

Throughout 2021/22 the Trust had additional capacity from mobile MRI and CT scanning units and utilised a number of external providers to provide additional capacity in some other diagnostic procedures such as endoscopy and echocardiograms. In June 2021 the Trust saw the opening of a new CT scanner unit with two state-of-the-art CT scanners and the one old scanner was decommissioned. Having two CT scanners has significantly reduced the waiting time for patients requiring a CT scan.

In November 2021 the Trust opened a dedicated urology investigation unit where patients requiring a urology diagnostic test are able to have their procedure. This increased the capacity for these tests and created more capacity within the endoscopy unit.

The number of endoscopies performed increased in comparison to the previous year, but due to capacity constraints the number of non-obstetric ultrasound scans and echocardiograms reduced in comparison to the previous year. At the end of March 2022, 55.9% of patients awaiting a diagnostic test, waited more than six weeks. Patients with the highest clinical priority continued to be prioritised for the soonest diagnostic test.

Cancer treatment standards



The Trust received an average 36% increase in the number of patients being referred to our cancer services in 2021/22 compared to the previous year.

Most patients received their first appointment within 14 days of referral although patients referred with suspected breast cancer waited longer than 14 days. The Trust has appointed additional breast surgeons and the length of time waiting for a first appointment has been steadily decreasing and at the end of March 2022 appointments were offered within 15-16 days; this is expected to reduce further so that appointments are able to be offered within 14 days by May 2022.

In line with a relatively new national standard of having a faster diagnosis for patients referred with suspected cancer, the Trust aims to achieve a diagnosis within 28 days for 75% or more of patients referred through this route. In order to achieve this standard early access to diagnostic tests is required in many cases, particularly in colorectal, dermatology and urology specialties. This continues to be a challenge and the Trust is yet to achieve this standard, at the end of March 69.7% of patients received their diagnosis within 28 days of referral.

On average across 2021/22, 67% of patients started treatment within 62 days of referral (including shared pathways) against a national target of 85%. Within the last two months of the year the position has improved largely due to reduced waiting times in breast surgery and a technical problem in reporting which has been rectified. As cancer performance figures are not finalised until approximately six weeks after the month end this improvement is not evident within the data in this report, but the end of March 22022 position will not be finalised until early May 2022.

FINANCIAL PERFORMANCE

The trend on the financial performance of NDHT has been impacted upon through changes in the financial regime over time due to the COVID-19 pandemic. A breakeven regime was established for the 2020/21 financial year resulting in additional non-recurrent top up income and additional allocation to support the financial impact of responding to COVID-19. The funding regime continued into 2021/22 with the year split into two half year planning periods (H1 and H2). The non-recurrent funding has compensated for a level of underlying deterioration in the financial position across the financial years due to a building cost base as a result of a strategic investment in digital capability, the response to operational pressures and the inability to deliver the expected level of cost improvement due to the environmental circumstances and pressures.

As the non-recurrent income reduced in H2 the underlying deficit is no longer mitigated in full resulting in a reported deficit position. However, the scale of the exit underlying deficit is greater due to the level of benefit still being received from other sources of income.

Contracting during the COVID-19 period has continued to be through a block contract basis from our main commissioners Devon CCG. The exception to this has been the introduction of an incentivised elective recovery scheme providing a variable element to the contract allocated through agreement with Devon System partners. The ability to earn against the ERF is determined against a system level of activity performance.

During 2021/22 the operational pressures led to a number of workforce challenges and recruitment and retention across the whole of the NHS worsened. The Trust benefited from savings on substantive staffing but experienced an increase in agency spend as a result, along with the need to cover increasing levels of staff sickness. In total £6.7m was spent on agency against an agency cap set by NHSEI of £4m.

Capital expenditure for the year was £22.3m, £6.7m lower than planned due the Integrated Care project which re-profiled spend into 2022/23.

Capital expenditure by scheme in 2021/22 is set out below:

- Digital enablement – integrated EPR £10m
- Clinical Pathway transformation programme £2.2m
- Estates Infrastructure £8.3m
- Other schemes and equipment replacement £1.8m

Looking forward to the 2022/23 financial year there are further changes in the financial regime. A further savings target is being applied across systems to bring income levels back towards system allocations. In addition, there is a reduction in the level of additional COVID-19 income being received as we plan to return to a business as usual state. The income changes and continued operational pressures along with elective recovery results in a challenging financial environment ahead. The financial plans for the Trust show an increased deficit position. To reach this deficit position the Trust will need to deliver savings of £9.5m through a combination of cash releasing savings, productivity gains and COVID-19 cost reduction.

	2022/23 Plan (£m)	2021/22 (£m)	2020/21 (£m)
Surplus/ (Deficit) prior to impairments	(£25.8m)	(£1.9m)	(£1m)
Less non-recurring Income / profit	(£3.3m)	(£19.9m)	(£29.6m)
Surplus / (Deficit) after non-recurring benefits	(£29.1m)	(£21.8m)	(£30.6m)
Less other non-recurrent changes	£0m	£0m	£0m
Underlying deficit	(£29.1m)	(£21.8m)	(£30.6m)

N.B. changes in finance regimes over the reporting period make comparisons of underlying issues difficult.

The Trust continued to collaborate with the RD&E during the financial year in preparation for integration on Friday 1 April 2022. As a single entity following the merger the deficit will increase further as both organisations have underlying deficit issues. However, through combining leadership and resources it is believed the new Trust will be in a much stronger position to face toe financial challenges ahead and develop a longer-term financial strategy for both sites that stabilises the financial position and makes inroads into financial recovery.

Both Trusts also continue to work closely with the Devon system on the overall financial recovery for the system. At the time of writing the draft level of deficit in 2022/23 across the system remains significant. Work continues across the system to improve upon this in year planned deficit position and it is clear that to return to breakeven can only be met through longer term transformational change.

The system is focusing on the key priorities of:

- Urgent and Emergency Care (UEC) resilience – including social care, mental health, community pathways and primary care access. Includes engagement with the public regarding UEC choices
- Planned Care – reduction in long waiters, through delivery of accelerator and Targeted Investment Funding (TIF) schemes
- Diagnostics – both networks and community hubs to improve access for our populations
- Children and young people – across a broad spectrum, including mental health, transition to adulthood and pathways
- Digital – ensuring that we continue to get the benefits of digital working. Need to link work on pathways. Building on the success of Your Shared Care Record

GOING CONCERN

On Friday 1 April 2022, Northern Devon Healthcare NHS Trust and The Royal Devon & Exeter NHS Foundation Trust merged their operations into a single Trust – Royal Devon University Healthcare NHS Foundation Trust.

On the same day, Northern Devon Healthcare NHS Trust was dissolved. Whilst Northern Devon Healthcare NHS Trust is therefore not a going concern due to its dissolution as part of the merger, the financial statements of the Trust have been prepared on a going concern basis because its services are continuing to be provided by the successor foundation trust.

SUSTAINABILITY STATEMENT

The Trust has a corporate duty to maintain safe and efficient services, but recognises that as a large user of resources it must also adopt practices that allow it to be environmentally sustainable in the services it provides. The Trust entered into a 15 year EPC (Energy Performance Contract) with Veolia. This has seen the fitting of a CHP (Combined Heat and Power unit) this allows the Trust to produce most of its electricity on site and to use the heat produced in this process to heat the hospital and provide hot water.

This year the Trust has moved to a green energy renewable energy electricity tariff which ensures that the electricity that we import from the grid is carbon free. The Trust have changed one of our biomass boilers to run on wood pellet which further improves the efficiency of the boiler and means we need less deliveries saving further carbon. The Trust is fitting electric vehicle charging points which will allow us to change to electric vehicles when the cars are next due to be replaced. It will also allow travelling consultant from Exeter to use electric vehicles.

The Trust is installing an electric heat Pump to one of the bungalows to allow the old oil boiler to be removed. The Trust is working closely with the local councils to look at the possibilities of introducing "Co Bikes" in addition we are introducing facilities to encourage people to consider green options for traveling to work. The Trust has produced our first Green Plan in conjunction with RD&E, this sets out our pathway to be Net Zero Carbon by 2040.

To Increase our biodiversity The Trust held a wild flower planting session and we are now recording the location of bird and bat boxes on site. To demonstrate the Trust's commitment to nature conservation we have become a business partner with North Devon Biosphere.

Other sustainability work in 2021/22 has included:

Waste Watch food waste prevention programme

Since the initiative started in March 2021, in the first eight months this has led to a 62% reduction in retail food waste through less customer plate waste, counter waste and production waste.

This has exceeded expectations as Sodexo has a target of cutting food waste by 50% by 2025. In real terms, this means that the hospital has prevented over 28 metric tonnes of CO_2 and 4,000 Kg of food has been kept out of landfill – the weight of an adult rhino.

By reviewing the number of items produced against those sold, WasteWatch enabled the kitchen team to make more informed choices when it came to batch cooking and order quantities. With better managed stock levels, most spoilage is now avoided, although any food that does end up going to waste is pulped before being sent off for energy conversion in an anaerobic digester.

Buying Local

At the start of September 2021, we introduced more local ranges into the shop they included Devon Cottage Fudge from Exeter, Bert's Crisps from Plymouth and Jimmy's iced coffee from Dorset, we have had a lot of positive feedback from customers regarding this.

WARP IT

NDHT are continuing to use Warp It, the waste action reuse programme. We are still seeing good results on savings and also from waste being diverted from landfill. These are items that would normally be disposed of, but are being reused in other departments within the Trust. Again the top reused items remain the same which are chairs, desks, and filing cabinets/storage.

Savings for 2021/22:

- Co_2 saved – 5006KG,
- Waste diverted from landfill – 2128KG,
- Savings made to the Trust - £13,610

On Wednesday 1 December 2021 NDHT and RD&E merged their Warp It accounts. By doing so means we are able to reach a larger audience for reusing equipment. Also it means a reduction in both NDHT and RD&E annual Warp It subscription charges. Since the merger a few items have been successfully reused between NDHT and RD&E sites.

We currently have 460 active members. NDHT staff are still being directed from Web Basket via a link to Warp It, so when they are looking to order new equipment it makes them think about reusing current Trust equipment and by doing so, saving money and helping the environment.

ENVIRONMENT, EMPLOYEE MATTERS, SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

The Trust takes its responsibilities towards the community it serves very seriously. We recognise the responsibility we have to:

- Meet the health needs of the population we serve as safely, effectively and efficiently as possible.
- Ensure that in designing and delivering health services we fully take into account, and are influenced by, the views and opinions of our patients and patients to be.
- Take into account the impact we have on the environment because this will ultimately have an effect on the communities we serve. The sustainability report section within this report gives details of the steps we are taking to reduce our environmental impact.
- Take into account our status as the largest employer in Northern Devon. This means that decisions we make may well have an impact on the local economy and the health and wellbeing not only of our staff but their families and communities as well.
- Take into consideration our responsibilities, as an ethical organisation, to respect human rights and to ensure that our actions or decisions do not have an adverse impact on upholding human rights.
- Uphold the tenets of the NHS Constitution which brings together in one place details of what staff, patients and the public can expect from the NHS.
- Uphold the legal framework that exists to promote equality and diversity.
- Take very seriously our commitment to ensuring that staff feel motivated, empowered and are clear about the difference they are making to patient care.
- Ensure that the Trust is a positive place to work and that staff are supported appropriately. The Trust has a support programme which brings together our approach to diversity and inclusion, training and development, improving staff experience, and supporting for health and wellbeing through occupational health, Talkworks and access to counselling, staff physio and exercise classes. This year we have placed a particular focus on mental health through signing the Time to Change pledge and encouraging staff to look out for their colleagues
- Uphold the legal framework in terms of the Bribery Act 2010 by providing staff with a robust and detailed "Standards of Business Conduct" policy and ongoing engagement, support and monitoring by ASW Assurance (Internal Audit, Counter Fraud and Consultancy Services).

ACCOUNTABILITY
REPORT

DIRECTORS' REPORT

As a Board of a public service body, the Trust Board forms the collective strategic and operational leadership of the Northern Devon Healthcare NHS Trust and brings together its executive directors with independent non-executive directors. The Trust Board is ultimately and collectively responsible for all aspects of performance of the Trust. The Board's role is to:

- Provide effective and proactive leadership of the Trust within a framework of processes.
- Take responsibility for making sure the Trust complies with its regulators, relevant statutory requirements and contractual obligations.
- Set the Trust's vision, values and standards of conduct and ensure the Trust meets it obligations to its patients and other stakeholders and communicates them clearly.
- Setting the strategic direction of the Trust within the policy and funding framework laid down by Parliament.
- Overseeing the delivery of planned results by monitoring performance against agreed objectives and targets, ensuring corrective action is taken when necessary.
- Be responsible for ensuring the quality and safety of healthcare service, education, training and research delivered by the Trust.
- Ensure that the Trust exercises its functions effectively, efficiently and economically.
- Develop procedures and controls which enable risk to be assessed and managed.
- Safeguarding the public reputation of the Trust.

Members of the Board of Directors and changes during 2021/22

Board members' details, together with declarations of their relevant interests and committee membership, are detailed on the following pages. Directors must comply with the Trust's standards of business conduct and are required to declare any interests that are relevant and material on appointment or which may arise during the course of their term of office. A register of Board members' interests is maintained by the corporate office and is published on the Trust's public website.

On 18 June 2018, NDHT entered into a collaborative agreement with the Royal Devon and Exeter NHS Foundation Trust, which resulted in a number of changes to the executive team.

Executive team 2021/22

Suzanne Tracey – chief executive officer (joint post with the RD&E)

Suzanne joined the NHS in 1993 having qualified as an accountant with Price Waterhouse. She held the post of director of finance/deputy chief executive at Yeovil District Hospital NHS Foundation Trust from 2002 before joining the Royal Devon and Exeter to take up the role of director of finance in 2008, subsequently progressing to deputy chief executive/chief financial officer. She was appointed chief executive of the Royal Devon and Exeter in 2016 (acting from July 2016 and subsequently appointed in November 2016). She is the chair of the Provider Faculty Healthcare Financial Management Association (HFMA) and past president of the HFMA. Suzanne was appointed as chief executive of the Northern Devon Healthcare NHS Trust in June 2018 as part of the collaborative agreement between the two organisations.

Hannah Foster – chief people officer (joint post with the RD&E)

Hannah joined the Trust in August 2019, coming to the NHS from Flybe, the Exeter-based airline, where she was director of people. Prior to her Flybe role, Hannah also held top strategic posts for the Church of England and global education provider Pearson, helping both organisations develop key culture and organisational growth programmes. As well as strategic and business acumen, Hannah brings a strong voluntary and charitable ethos to both Northern Devon Healthcare NHS Trust and the Royal Devon & Exeter NHS Foundation Trust.

Adrian Harris – chief medical officer (joint post with the RD&E)

Adrian has spent the last 20 years as a consultant emergency physician at the Royal Devon and Exeter NHS Foundation Trust. Adrian has directed the RD&E's emergency department for 12 years and has been seconded to both North Devon District Hospital and Yeovil Hospital as a clinical director. Prior to his appointment as medical director, he served as associate medical director for the surgical division. In preparation for the post of medical director which Adrian was appointed to in April 2015, Adrian completed the NHS Leadership Academy's Executive Fast Track Programme. Adrian is also a sports physician and head of sports medicine at Exeter Chiefs Rugby Union Football Club. Adrian was appointed as interim medical director at Northern Devon Healthcare NHS Trust in June 2018 and as medical director in December 2018 under the collaborative agreement.

Angela Hibbard – chief financial officer (joint post with the RD&E)

Angela joined the NHS in 2003 as a management accountant in South Devon and Torbay NHS Trust (now Torbay and South Devon NHS Foundation Trust In 2008 Angela joined the Royal Cornwall NHS Trust to lead on its medium term financial planning and cost improvement planning. During this time Angela supported a number of major service redesign programmes of work.

After 18 months in role Angela took an opportunity to join the South West Specialised Commissioning team to understand more about complex service provision for larger patient populations. As part of the reorganisation of the NHS in 2012, Angela transitioned into a role of head of finance for NHS England, leading the finance function for the commissioning of primary care and supporting the CCG assurance process. This role opened up an opportunity in 2014 to join Northern, Eastern and Western Devon CCG as deputy chief finance officer overseeing the CCG's finance function for financial reporting and operational planning. Angela joined Northern Devon Healthcare NHS Trust in 2018 and was appointed as joint chief finance officer for Northern Devon Healthcare NHS Trust and the Royal Devon and Exeter NHS Foundation Trust from January 2021.

John Palmer – chief operating officer (joint post with the RD&E)

John joined the RD&E and Northern Devon Healthcare NHS Trust as interim joint chief operating officer in April 2021, before being appointed as chief operating officer in July 2021. John's public sector career spans 25 years and includes executive roles in healthcare, local government, the senior civil service and management consultancy. Previous roles include deputy group chief executive and site chief executive at King's College Hospital NHS Foundation Trust and chief operating officer at Cwm Taf Morgannwg University Health Board where he oversaw delivery of primary, community, hospital and mental health services across the South Wales Valleys. He has also worked in a series of roles in the Cabinet Office, Welsh Government and NHS Wales.

Carolyn Mills – chief nursing officer (joint post with the RD&E)

Carolyn joined the RD&E and Northern Devon Healthcare NHS Trust as joint chief nursing officer in January 2021. Carolyn is an experienced nurse whose career in the NHS spans more than 30 years, including working in the acute, community and academic sectors. Previous to joining the RD&E and NDHT, Carolyn worked for Hillingdon Hospitals NHS Trust, University College London Hospitals NHS Foundation Trust in assistant chief nurse positions and was director of nursing at Northern Devon Healthcare NHS Trust between 2005-2014. From 2014 to 2021, Carolyn was chief nurse at University Hospitals Bristol & Weston NHS Foundation Trust, where she had experience of merging together University Hospitals Bristol NHS Foundation Trust and Weston Area HealthTrust.

Chris Tidman – deputy chief executive officer (joint post with RD&E)

Chris joined the Royal Devon and Exeter NHS Foundation Trust as chief financial officer in September 2017, having worked in a number of senior NHS roles in the West Midlands. After graduating in 1991, Chris took his first chief finance officer position in 2005 at South Birmingham Primary Care Trust before spending 4 years at Birmingham and Solihull Mental Health Foundation Trust as director of resources/deputy chief executive officer and leading them to Foundation Trust status in 2008. Chris then joined Worcestershire Acute in 2011 for a five year spell as director of resources/deputy chief executive officer, including two periods as acting chief executive officer.

During his career, Chris has taken on a number of strategic change projects, including major PFI hospital moves, IT change programmes, service reconfiguration and developing strategic clinical partnerships with neighbouring providers. Chris has been part of the NHS Top Leaders programme and was also HFMA chair for the West Midlands in 2015. Chris was appointed as deputy chief executive for the Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust in January 2021.

Chairman and non-executive directors 2021/22

James Brent – chairman (joint post with the RD&E)

James joined the Royal Devon and Exeter NHS Foundation Trust in May 2012 and is both chairman of the board of directors and the council of governors. He was an investment banker for 25 years and established Akkeron Group which has key business activities in hotels, urban regeneration, retail and leisure. He is also chairman of Hawksmoor Investment Management Limited, a private client investment and fund management group. He has combined his commercial ventures with a desire to contribute in a range of public sector settings as well, for example previously as chairman of Plymouth City Development Company and Plymouth University. James was appointed as chairman of Northern Devon Healthcare NHS Trust on 1 July 2018. James' term of office will end in March 2022.

Tim Douglas-Riley CBE OStJ – non-executive director

A qualified doctor, Tim spent his entire professional career as a medical officer in the Royal Navy. He held a wide variety of clinical and administrative posts in the UK and operational settings ranging from base ports and training establishments through to Northern Ireland, the Falklands, the Royal Yacht, 22 Special Air Service Regiment and as the medical commander in Afghanistan. He gained a Royal Marines Green Beret, was a qualified parachutist and sports diver and has had additional training in diving, aviation and nuclear safety medicine as well as attending senior level staff courses.

In the last decade of his Service career, he held a variety of Ministry of Defence and Navy Command positions where he was involved in the strategic planning of personnel policy, workforce structures, operational requirements and organisational change. His final position was the director of the Royal Naval Medical Service where he was responsible for the entire spectrum of health care delivery across the Royal Navy.

Tim was appointed a CBE in 2009 for his leadership of the Royal Naval Medical Service and his contribution to strategic change programmes within the Defence Medical Service Department. Additionally he was made an Officer Brother in the Order of St John for his services to the Royal Naval and Defence Medical Services. He is an associate member of the Chartered Management Institute.

He joined the Trust in July 2012 as an associate non-executive director to provide clinical experience within the non-executive team. He was appointed as a non-executive director in May 2013. His current term of office will end in March 2022.

Robert Down – non-executive director

Robert has a background in the oil and gas industry, managing and leading the technical and financial activities of a large, complex multinational company and working in operations and project management.

Robert was previously chairman of Anchorwood Ltd between 2015 and 2019 and is also a director of UNESCO North Devon Biosphere Foundation.

He joined the Trust in February 2015 as a non-executive director. His current term of office will end in March 2022.

Pauline Geen – non-executive director

Pauline has worked for more than 30 years in the public and private sector, with key roles in administration, facilities management and customer service.

Pauline's career began in 1976 with the Central Electricity Generating Board in the company secretariat. She progressed into facilities management and property services. She was the senior facilities manager for Severn Trent Water for eight years. During this time, she engaged with key stakeholders to develop a facilities management strategy and new service model which delivered cost efficiencies and improvements in customer service. She worked for the National Policing Improvement Agency as service delivery lead overseeing a large property portfolio including national police training centres, offices and data centres. She has received awards from the British Institute of Facilities Management in customer service and the British Safety Council for excellence in health and safety.

Pauline joined the Trust in March 2011 as a non-executive director and her current term of office will end in March 2022.

Bridie Kent – associate non-executive director

Bridie joined the Trust in June 2021 and is a registered nurse, with a background in both clinical and academic appointments, resulting in extensive experience in leadership, quality improvement, practice change, health service education and implementation research. She has held a number of senior academic positions, including head of school and executive dean at the University of Plymouth. For the last 20 years, she has played a leading role in evidence-based practice uptake and implementation in the UK, New Zealand and Australia, working to enhance the transfer of evidence into practice, and improve quality of care for patients.

Stephen Kirby – associate non-executive director

Steve joined the Royal Devon & Exeter NHS Foundation Trust in September 2017. Following a period in the NHS, he worked internationally in health, running hospitals before moving to consulting. As a Partner at KPMG and then Ernst & Young, he has consulted to a wide range of government and health organisations both in the UK and overseas. He has worked at all levels on a wide variety of health projects and programmes, including large system reorganisations, regulatory issues, and "at the coal face" helping to develop services or dealing with failing organisations. He was one of the two EY partners who undertook the administration of Mid Staffs NHS Foundation Trust. Steve was appointed as an Associate Non-Executive Director for the Northern Devon Healthcare Trust in March 2021. His current term of office expires in March 2023.

Tony Neal – non-executive director

Tony has a background as a management consultant in IT and business consultancy with a particular focus on organisational visioning, development and change with previous extensive Board level experience with BT and Fujitsu.

He has worked locally with each of the South West Local Authorities and a number of third sector organisations, chiefly as an interim manager and leading/supporting business turn around and change.

Tony joined the Board in January 2016 as a non-executive director and his current term of office will run to March 2022.

Kevin Orford – non-executive director

Kevin has a background in finance with previous roles as both an executive director and a non-executive director in the NHS and as a trustee on charity boards. He has most recently served as a non-executive member for governance (audit and risk committee chair) for Southern Derbyshire Clinical Commissioning Group and was formerly director of finance and then chief executive of East Midlands Strategic Health Authority. He also serves on the Board of the Intellectual Property Office.

Kevin joined the Trust in April 2019 and his current term of office ends in March 2022.

Board meetings

As part of the ongoing work between Northern Devon Healthcare NHS Trust and the Royal Devon and Exeter NHS Foundation Trust to move to a proposed integration in April 2022, it was agreed that meetings of the two Boards would be held jointly with effect from April 2021. The Northern Devon Trust Board met jointly with the Board of Directors of the Royal Devon and Exeter on ten occasions during 2021/22 on the following dates:

- 28 April 2021 26 May 2021
- 30 June 2021
- 28 July 2021
- 29 September 2021
- 27 October 2021
- 24 November 2021
- 26 January 2022
- 23 February 2022
- 30 March 2022

In addition, extraordinary confidential Board meetings were held on:

- 15 December 2021
- 22 March 2022

The Board conducts its business in accordance with the Standing Orders and Standing Financial Instructions. Papers for the Trust Board meetings are published on the Trust's public website.

Membership of the Board consists of the chairman, five non-executive directors and seven executive directors, including the chief executive. The chief people officer, deputy chief executive and the two associate non-executive directors also attend Trust Board meetings as non-voting members of the Board. Board members attendance at Trust Board meetings is detailed in Figure 1 below.

Figure 1 – Attendance at Trust Board

	April 2021		May 2021		June 2021		July 2021	
	Open	Confidential	Open	Confidential	Open	Confidential	Open	Confidential
Mr J Brent	✓	✓	✓	✓	✓	✓	✓	✓
Dr T Douglas-Riley	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Down	✓	✓	✓	✓	✓	✓	✓	✓
Ms H Foster	✓	✓	✓	✓	✓	✓	✓	✓
Mrs P Geen	✓	✓	✓	✓	✓	✓	✓	✓
Prof. A Harris	✓	✓	✓	✓	A	A	✓	✓
Mrs A Hibbard	✓	✓	✓	✓	✓	✓	A	A
Prof. B Kent1	n/a	n/a	n/a	n/a	✓	✓	✓	✓
Mr S Kirby	✓	✓	✓	✓	✓	✓	✓	✓
Mrs C Mills	A	A	✓	✓	A	A	✓	✓
Mr T Neal	✓	✓	✓	✓	✓	✓	A	A
Mr K Orford	✓	✓	✓	✓	✓	✓	✓	✓
Mr J Palmer	✓	✓	✓	✓	✓	✓	✓	✓
Mr C Tidman	✓	✓	✓	✓	✓	✓	✓	✓

	Septemver 2021		October 2021		November 2021		December 2021	
	Open	Confidential	Open	Confidential	Open	Confidential	Open	Confidential
Mr J Brent	✓	✓	✓	✓	✓	✓	✓	✓
Dr T Douglas-Riley	✓	✓	✓	✓	A	A	✓	✓
Mr R Down	✓	✓	✓	✓	✓	✓	✓	✓
Ms H Foster	✓	✓	✓	✓	✓	✓	✓	✓
Mrs P Geen	✓	✓	A	A	✓	✓	✓	✓
Prof. A Harris	✓	✓	✓	✓	✓	✓	✓	✓
Mrs A Hibbard	✓	✓	A	A	✓	✓	✓	✓
Prof. B Kent1	✓	✓	✓	✓	✓	✓	✓	✓
Mr S Kirby	✓	✓	✓	✓	✓	✓	✓	✓
Mrs C Mills	✓	✓	✓	✓	✓	✓	✓	A
Mr T Neal	A	A	✓	✓	✓	✓	✓	✓
Mr K Orford	✓	✓	✓	✓	✓	✓	✓	✓
Mr J Palmer	✓	✓	A	A	✓	✓	✓	✓
Mr C Tidman	✓	✓	✓	✓	✓	✓	✓	✓

	January 2022		February 2022		March 2022 (Extraordinary Board)	March 2022	
	Open	Confidential	Open	Confidential	Confidential	Open	Confidential
Mr J Brent	✓	✓	✓	✓	✓	✓	✓
Dr T Douglas-Riley	✓	✓	✓	✓	✓	✓	✓
Mr R Down	✓	✓	✓	✓	✓	✓	✓
Ms H Foster	✓	✓	✓	✓	✓	✓	✓
Mrs P Geen	✓	✓	✓	✓	✓	✓	✓
Prof. A Harris	✓	✓	A	A	✓	✓	✓
Mrs A Hibbard	✓	✓	A	A	✓	✓	✓
Prof. B Kent1	✓	✓	✓	✓	✓	A	A
Mr S Kirby	✓	✓	A	A	✓	✓	✓
Mrs C Mills	✓	✓	✓	✓	✓	✓	✓
Mr T Neal	✓	✓	✓	✓	✓	✓	✓
Mr K Orford	✓	✓	✓	✓	✓	✓	✓
Mr J Palmer	✓	✓	✓	✓	✓	✓	✓
Mr C Tidman	✓	✓	✓	✓	✓	✓	✓

Board meetings

Seven Board development days were held during the year, which were used to further develop the joint Boards' performance and effectiveness and the vision, values, corporate strategy and road map for the joint clinical strategy.

April 2021 – Developing the road map for the joint clinical strategy

August 2021 – Reviewing the vision statement

October 2021 – Refining the vision

November 2021 – Corporate strategy and strategic objectives

December 2021 – Further development of the strategic objectives

February 2022 – Reviewing the progress on the road map

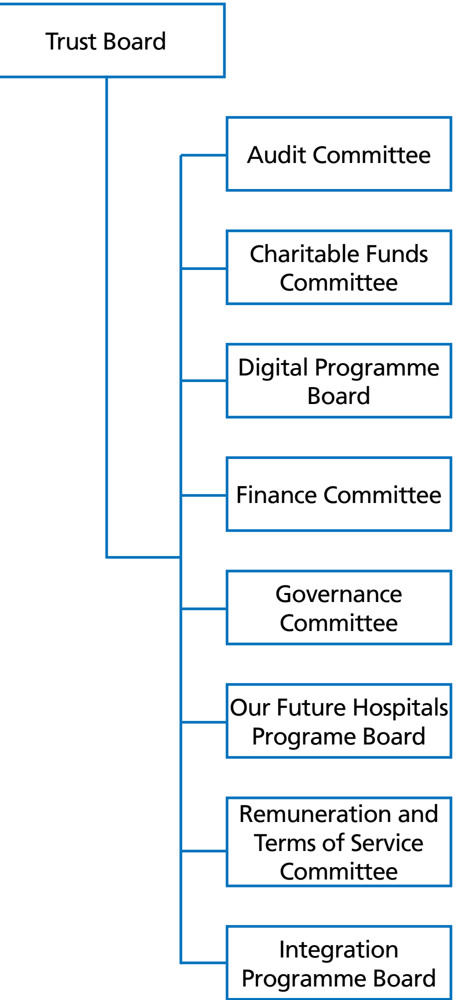
March 2022 – Reviewing the mission, strategic objectives and values

Sub-committees of the Trust Board

As reported in the 2019/20 annual report, a governance review was undertaken by the Trust to look at committee structures, as well as executive portfolio responsibility and the new structure has continued to develop and embed over the course of the last year.

In line with the enhanced governance systems, the integrated performance report has continued to be refined to improve the quality of the information presented to the Board, allowing for more rigour in the Board's assessment of delivery of plan and performance against key national standards. This has enabled a more robust and informed debate at Board on the key challenges faced and the recovery actions being taken.

Figure 2: Current governance meeting structure



Joint audit committee

As part of the ongoing work between Northern Devon Healthcare NHS Trust and the Royal Devon and Exeter NHS Foundation Trust to move to a proposed integration in April 2022, it was agreed that meetings of the two separate audit committees would be held jointly with effect from July 2021.

The audit committee ensures that an effective system of internal controls is in place and maintained. Independently of the Trust Board, it reviews and scrutinises the Trust's objectives and the associated risks and controls set out in the Board Assurance Framework. The committee is comprised of three non-executive directors and is jointly chaired by Kevin Orford for NDHT and by Alastair Matthews, a non-executive director at the RD&E.

The chief financial officer regularly attends, and all other members of the executive team routinely receive papers and attend when the agenda demands.

Register of interests

The Board regularly updates its register of directors' interests to ensure that each member discloses any outside interests such as company directorships or other material interests which may conflict with their management responsibilities. Board members also have the opportunity at the start of each meeting to declare any interest which may impact on their ability to take part in discussions or to declare at any point in the agenda and potential conflict that arises based on nature of discussions.

The full register of interests for board members can be found on the Trust website www.northdevonhealth.nhs.uk/about/who-we-are/trust-board

Signed ....

Chief Executive Officer

Date ....8 June 2022............

NDHT ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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 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.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of NDHT, 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 NDHT for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The chief nursing officer has overall oversight and leadership of risk, supported by a risk manager and governance roles within the division. These roles are further supported by electronic reporting systems and robust governance structures to oversee, scrutinise and gain assurance on identified risks within the parameters of the risk appetite that has been reviewed and agreed by the Trust Board. Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. This is provided through the training strategy and further supported through specialty risk surgeries.

The risk and control framework

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 identification of risk

It is every employee's responsibility to identify and escalate risks. Staff are supported by training, locally based to the appropriate level of autonomy. Risk assessments are a key feature of all normal management processes. All divisions, departments and specialties have an on-going programme of proactive risk assessments.

Incident reporting

Incident reporting provides an important prompt for risk assessment. Incidents and near misses are reported through DATIX in accordance with Trust policies and procedures. Incidents are recorded on DATIX and the recorded incident report information provides data for analysis to the joint safety and risk committee and incident review group, dashboards and services teams as required. This includes information governance incidents and risks.

The assessment of risk

Key leaders and managers are able to fully assess and analyse a wide range of risks and recommend the priorities for action. Outcomes and actions arising within divisions from risk assessments will be reported through the divisional governance structure and supported through divisional risk surgeries.

The Trust has set its risk appetite and scores risks according to the likelihood and consequence with a maximum continued score of 25. Risks scoring 15 in addition to those risks that have a Trust-wide impact are managed and assured through the joint safety and risk committee (Corporate Risk Register). Those risks scoring above eight but less than 15 are managed at divisional level and the divisions supported to manage these through risk surgeries. Risks with scores of less than eight are accepted as managed risks.

The control of risk

The responsibility for implementing control measures is devolved to divisions/specialties, with appropriate support of the risk lead, and those which have Trust-wide implications and require a corporate response will be referred to the safety and risk committee for assurance.

Risk appetite

The Trust risk appetite was reviewed by the Trust Board in November 2018 and reviewed and confirmed again in September 2020 to fully align with the risk appetite of the RD&E. The risk appetite is 8 (risks scoring below 8 are deemed as accepted risks) with risks scoring 15 and above, and or where the risk presents a Trust wide risk triggers the Corporate Risk Register.

Risk management policy

The key objectives of the risk management policy include:

- Defined clear lines of accountability and responsibility
- A systematic approach to the identification, assessment and prioritisation of risks
- Effective system for controlling and reducing risks
- A robust reporting and monitoring system for identified risks
- Risk management training for staff identified as having a key role in risk management

Quality governance

Quality governance arrangements are assessed through the governance framework, which sits alongside the performance assurance framework. The governance framework ensures the Trust Board receives assurance from the joint governance committee who are responsible for ensuring that governance is embedded in the organisation, the Trust operates within the law, complies with its regulators and delivers safe, quality and effective care. It will provide assurance to the Trust Board that the Trust has effective systems of internal control in relation to risk management and governance.

Four committees report to the joint governance committee:

- Joint integrated safeguarding committee – chaired by the chief nursing officer
- Clinical effectiveness committee – chaired by the site medical director
- Joint people, workforce planning and wellbeing committee – chaired by the chief people officer
- Joint safety and risk committee – chaired by the chief executive officer

A range of specific sub groups report into these committees, reporting key issues upwards to provide the assurance that risks and issues are managed and mitigated.

From April 2020, during the pandemic, meetings of the four sub-committees were paused to enable staff to focus on frontline services, apart from the joint governance committee which continued to meet regularly as a joint meeting with the RD&E. Meetings were re-started for the safety and risk, and people, workforce planning and wellbeing committees in the autumn of 2020. A clinical reference group was put in place at the Trust which oversaw some of the work of the clinical effectiveness committee during the pause in meetings.

The Patient Experience Committee was paused in 2020 during the COVID-19 pandemic for a review and refresh. During this time patient experience has continued to be managed centrally by the Patient Experience Team, through the divisional structure and through the newly established site Patient Experience operational group which is chaired by the site director of nursing. Performance information has continued to be available to the Trust Board through the monthly Integrated Performance Report. Patient stories have continued to be a standard agenda item for the Trust Board; these stories, which are video recordings of patients sharing first hand their experiences have provided an invaluable connection for the Board to our patients. Selection of the stories is undertaken with the independent support of the comms team ensuring a balance of both "what has gone well" and "even better if". In all cases learning is identified and where relevant appropriate actions put in place.

As part of the review and refresh, a Patient Experience Strategy has been developed, which at the time of writing is currently undergoing a consultation and engagement process. The final version of the strategy will be shared with the Board of Directors for approval later this year. Contained within the strategy is the re-introduction of the Patient Experience Committee which will be chaired by a Non-Executive Director.

The Trust has returned fully to its pre-COVID Governance Performance System throughout 2021/22.

Principal risks

Corporate level risks are held on the Corporate Risk Register which is monitored by the joint safety and risk committee, with strategic level risks being held on the Board Assurance Framework (BAF) and monitored by the Trust Board. Monthly risk surgeries are held to review the risks on the Corporate and Divisional Risk Registers to ensure that risks are continuously reviewed and mitigating actions are put in place. BAF risks are reviewed by the Trust Board quarterly.

Effectiveness of governance structures

As part of the collaborative agreement between NDHT and the RD&E, we identified a programme of governance development that aligns the RD&E and NDHT systems to facilitate further joint working and sharing of posts between the two organisations. The effectiveness of the governance structure remains a key focus for both organisations; during 2020 as part of the Trusts COVID-19 arrangements "governance lite" was introduced and drove further refinements including the joining of both Trusts governance committees and the creation of a joint ethics committee. Work continued through 2021 to move to a model of joint meetings ahead of the proposed merger, with Governance Committee meetings being held jointly throughout 2021/22 and Audit, Safety and Risk and Health and Safety Committees holding joint meetings during 2021/22. The Trust will continue to seek independent assurance from internal audit and the regulator to ensure that the governance arrangements remain fit for purpose.

Reporting lines and accountabilities between the board, its sub-committee and the executive team

The responsibilities of each committee within the governance structure are clearly defined within their terms of reference which include the purpose, duties and responsibilities and defined membership. All of the Trust Board members have defined portfolios identifying their individual responsibilities.

Reporting lines and accountabilities from the sub-groups through to Board are clearly defined and visualised within the Trust structures through the terms of reference and each reporting structure and work plan.

The Trust Board has detailed oversight of the overall performance of all services. A full Integrated Performance Report is presented to each Trust Board meeting with dedicated operational meetings reviewing any areas requiring monitoring or improvements.

All Cost Improvement Programmes have a Quality Impact Assessment undertaken which is reviewed by the clinical executives. During the COVID-19 pandemic all CIPs were paused to allow resources to focus on the pandemic response in line with national guidance.

Incident reporting is encouraged at all staff levels and the Trust has been a consistently high reporter for many years. The Trust uses the DATIX system and this is available to all staff.

Compliance with CQC registration requirements

The last full Care Quality Commission inspection visit was May/June 2019 when four core services were inspected, these were:

- Urgent and emergency care
- Maternity
- End of life care and
- Outpatients

For the questions 'are services safe, responsive and well-led?' the outcome remained 'requires improvement'. For the question 'are services caring?' the outcome remained 'good'. For the question 'are services effective' the outcome improved to good. This provided an overall rating of 'requires improvement' for the Trust. The Trust provided the CQC with an overall Quality Improvement Plan to ensure all the actions are implemented, the Quality Improvement Plan is monitored by the joint governance committee.

During 2021/22 the Trust underwent two targeted inspections:

Sexual Assault Referral Centre Paediatric Service in March 2021. Services were assessed as requiring no action for the safe, effective, caring and responsive domains. With an improvement notice issued for the well led domain. A comprehensive action plan (which was completed shortly after the inspection) has been submitted and approved by the CQC.

Medical care was inspected in July 2021. The overall rating was 'requires improvement' with the caring domain being rated as outstanding and good for the responsiveness domain. A comprehensive action plan is in place with many of the actions completed. The remaining actions are being monitored through to completion by the Joint Safety and Risk Committee.

People strategies and staffing systems

The People, Workforce Planning and Wellbeing Committee is well established and transacts all core governance business in relation to staff. The committee is held jointly with NDHT and has a workplan including a cycle of reporting, metrics and dashboards to provide assurance around the quality and capacity of services within our people function. Regular safe staffing reports are also received to the committee as well as Guardian of Safe Working Hours reports for consultants. The committee also receives strategic updates relating to staff and ensures an oversight of risks within the people function and wider workforce risks across the Trust.

The committee has sub-groups for People Development and Staff Wellbeing and also receives updates from the Trust Partnership Forum meetings, with Staffside forming part of the quoracy of the Committee, to enable appropriate levels of challenge and transparency. The Committee reports directly to the Governance Committee providing a clear route of escalation through to the Board.

Recruitment and retention remain a priority for the Trust and indeed the wider NHS. In the past year, the recruitment market has become more competitive than ever before. The NHS has released a number of national initiatives in recent years relating to workforce, namely the NHS People Plan, the NHS health and wellbeing framework and the HR and OD review. The Trust has been heavily engaged with these programmes to ensure that everything possible is being done to recruit and retain our people.

The Board review the Integrated Performance Report (IPR) each month, including a core section containing key metrics and information about 'Our People', to ensure that staffing establishment, turnover, sickness etc. are all reviewed and monitored by the Trust.

This year the people function have undergone a restructure in the senior team, in order to be able to deliver services more effectively across the RD&E and NDHT, but also to ensure appropriate resourcing levels in specialist areas such as workforce planning. Having dedicated resource in place will support the Trusts to implement a suitable model to ensure a longer-term workforce planning approach and to build longer term plans from the current workforce annual establishment reviews and demand and capacity planning processes.

Allocate SafeCare is used to undertake a census three times a day to assess the acuity and care hours per patient per day and this data is reviewed by the senior nursing team to inform their decision-making on staffing.

The Trust believes the above is in line with the 'Developing Workforce Safeguards[1]' recommendations on using evidence-based tools, professional judgement and outcomes to ensure safe staffing processes exist and are in line with the National Quality Board guidance[2].

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

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

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

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1 Developing-workforce-safeguards.pdf (england.nhs.uk)
2 2904770 NQB Guidance v1_2_with links A (england.nhs.uk)

Register of Interests

The Trust publishes on its public website a full Register of Interests declaration for all Trust Board members quarterly and regular 'live' updates when new interests are declared or there are changes to existing interests.

The Trust requires all staff to make an annual declaration of interests in line with the "Managing Conflicts of Interests in the NHS" guidance introduced in 2017. In addition, staff are asked to submit updates during the course of the year should there be a change or addition to their declaration. The Trust has an up-to-date register of interests for decision-making staff.

NHS Pension Scheme

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.

Equality, diversity and human rights

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

All policies and procedural documents have an equality impact assessment which must be completed to assess impact against the protected characteristics. The Trust has an Equality and Diversity Strategy and Equal Opportunities Policy which covers patients and staff.

Sustainable development management plan

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 Adaption Reporting requirements are complied with. Full details of the management plan are included on page 49 of the annual report.

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

At the start of the pandemic the NHS funding regime was temporarily changed to allow all Trusts to achieve breakeven to ensure adequate resources were available to enable timely response to the funding decisions needed. However, the non-recurrent nature of the additional funding did not resolve the underlying deficit faced by the trust as the cost base growth was in excess of the recurrent income that the trust would earn in normal circumstances.

During the 2021/22 financial year the finance regime changed in line with the national settlement for the NHS, reducing income levels over the second half of the year, moving the trust into a deficit position. Whilst the change in funding led to a level of uncertainty on the national funding frame work regular briefings have been presented to board to understand the impact on the trusts in-year financial position but more importantly tracking the underlying financial position.

As we start to more to a more business as usual funding regime and see the income levels for the Devon ICS move towards a target allocation level over time, the impact on the trust will continue to be forecast to support the longer-term recovery needed to bring stability to the financial position. The focus will be on productivity to ensure that recovery of elective waiting lists can be prioritised whilst ensuring sound cost control to avoid worsening the underlying deficit.

Overall in year performance is monitored via an integrated performance report at the monthly meetings of the Board of Directors. Operational management and the coordination of Trust services are delivered by the Executive Directors. Performance of individual clinical Divisions is monitored formally on a monthly basis through the Performance Assurance Framework which is led by the Chief Operating Officer and twice annually with all Executive Directors.

An element of assurance provided to the Board is the rigidity of the financial control processes. Internal audit reviewed the overall financial controls to support the head of internal audit opinion and the trust continues to be rated at a significant level of assurance in this area.

The Trust's External Audit ISA260 Report includes commentary on the economical, effective and efficient use of resources. The Internal Audit Plan includes reviews which consider the economy, efficiency and effectiveness of the use of resources. The findings of internal and external audit are reported to the Board via the Audit Committee.

I can confirm that the Trust complies with the cost allocation of and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

As well as key financial controls, Internal Audit has conducted reviews against health and safety, serious incident reviews, payroll, Care Quality Commission regulations, GDPR compliance, the Ockenden response as well as areas of operational process. In addition, they have annual reviews of the Trust's risk management and governance arrangements.

NHS System Oversight Framework

NHS England and NHS Improvement's NHS System Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. The framework looks at five national themes:

- quality of care, access and outcomes
- preventing ill health and reducing inequalities
- finance and use of resources
- people
- leadership and capability.

Based on information from these themes, providers are segmented from one to four, where four reflects providers receiving the most support, and one reflects providers with maximum autonomy.

Segmentation

The current assessment for NDHT is segment three (Mandated support). The deterioration is due to "concerns regarding the relative size of the trust financial deficit, its underlying financial deficit and the deterioration in that financial position between 2019/20 and 2020/21.

The overall Devon Integrated Care system has been placed into segment four. NDHT will play an active role in addressing the financial challenges seen across the whole of the Devon system and set out a plan which initially stabilises the position and then sets out an improvement trajectory.

Additional resources have been allocated to the Devon ICS in terms of a system improvement Director and an oversight director of finance to support the Devon system in shaping the plans required.

This segmentation information is the trust's position as at Tuesday 1 February 2022. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England and NHS Improvement website:

www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/

Information governance

Information Governance and Data Security is overseen and managed by the Information Governance Steering Group (IGSG). Since September 2021 this group has been integrated with RD&E in preparation for the merger of the two Trusts. The Medical Director is the Trust's Senior Information Risk Owner (joint post with RD&E). There is also a Caldicott Guardian (joint post with RD&E) and a Data Protection Officer. The IG Steering Group manages and monitors all risks, issues and incidents related to IG and data security and receives reports from its three sub groups:

- Information Security Forum
- Records Management Group
- Data Quality Information Forum

These sub-groups ensure there is a focus on the Trust-wide information security, record keeping standards and the maintenance of the highest data quality standards. IGSG reports to the Safety and Risk Committee.

The annual Data Security and Protection Toolkit 2020/21 assessment was published on 30 June 2021. The submission date had been moved due to the COVID-19 situation. The return included 101 complaints out of 109 mandatory evidence items. A six-month action plan was submitted to address the outstanding items, however in December NHSD decided that organisations would not be required to submit updated improvement plans because of the impact of COVID-19 and Log4J. The Trust is currently rated by NHS Digital as 'Approaching Standards'.

An internal audit was undertaken during the year to assess the Trust's compliance with the General Data Protection Regulations which reported only limited assurance. The Trust has developed an action plan to address the issues raised in the audit report with a particular focus on improving the Trust's Information Asset and Data Flows information which were the main concerns highlighted in the report.

In February 2022 a baseline submission was made for the 2021/22 toolkit, the final submission in June 2022 will be a joint submission for the new Trust.

During 2021/22 the Trust reported one Information Governance incident to the Information Commissioner's Officer in line with the reporting requirements. The ICO was satisfied with the Trust's approach and no further action was required. A second more serious incident was also reported but due to ongoing investigations and the need to maintain confidentiality it is not possible to provide any further detail at this time.

Annual quality account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare quality accounts for each financial year.

The Trust prepares, submits and publishes quality accounts annually in line with the above regulation. The requirements of the quality account are submitted from the relevant services with current data. The projects for improvement for the forthcoming year are agreed through key data metrics with oversight from the safety and risk committee and approved at Trust Board. It is important to the Trust that the account is co-designed.

Review of effectiveness

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. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, governance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In addition to this my view of the effectiveness of systems of control is informed by:

- A view of the overall position with regard to internal control by the Board of Directors through its routine reporting processes and its work on corporate risk
- Receipt of Internal and External Audit reports to the Audit Committee
- Personal input into the controls and risk management processes from all executive directors, senior managers and clinicians
- The annual head of internal audit opinion which states that significant assurance can be given, that there is a sound system of internal control and that controls are generally being applied, recognising that the Board assurance framework will be re-launched following the completion of the governance development programme
- Safe Staffing reviews
- Assessments by external agencies.
- Care Quality Commission inspections.
- Internal management 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 activities of the Trust Board, its sub-committees and the Trust management.

Conclusion

I am satisfied that effective systems of internal control are in place and that the culture of risk management is a key focus at Northern Devon Healthcare NHS Trust. There are no significant internal control issues which have been identified during the course of the year or in relation to this annual governance statement.

Signed ....

Chief Executive Officer

Date ....8 June 2022..............

REMUNERATION REPORT

As an NHS trust, we are required to follow the relevant national frameworks when remunerating staff, including the national NHS Terms and Conditions of Service (formerly known as "Agenda for Change") for the majority of our workforce, and the national NHS Medical & Dental Terms and Conditions of Service for medical and dental staff.

We have a remuneration and terms of service committee which determines the remuneration and conditions of service of the chief executive, executive directors, other directors who report to the chief executive and any staff not on the national terms and conditions of service. This committee is a sub-committee of the Trust Board and has delegated powers.

Membership comprises the Trust Board chairman and non-executive directors, with the chief executive and director of people in attendance, except where their own pay award is being discussed.

The committee ensures the organisation complies with current statutory and NHS requirements, including any guidance issued by NHS England and NHS Improvement on pay for very senior managers. The committee is vigilant to ensure that its decision-making is consistent when determining remuneration for NHS executive and director posts. Committee members ensure value for money and that they meet their statutory obligation to ensure decisions on remuneration match the economic climate.

Non-executive Board members are appointed by NHS England and NHS Improvement in accordance with the Cabinet Office's Governance Code on Public Appointments. They receive remuneration in line with national rated set by the Secretary of State for Health and Social Care.

Introduction

Section 243B and Schedule 7A of the Companies Act, as interpreted for the public sector, requires NHS bodies to prepare a remuneration report containing information about directors' remuneration. In the NHS, the report will be in respect of the senior managers of the NHS body. The definition of a senior manager is:

'Those persons in senior positions having authority or responsibility for direction or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.'

For the purposes of this report, this covers the Trust's non-executive directors, associate non-non executive directors, executive directors and associate directors.

Signed ....

Chief Executive Officer

Date ....8 June 2022..........

A) Remuneration 2021/22 (subject to audit)

Name and title		(a) Salary (bands of £5,000) attributable to NDHT	Total Salary (bands of £5,000)	(b) Expense payments (tax-able) total to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pensi-on-re-lat-ed benefits (bands of £2,500) at-tributable to NHDT	Other remuneration (bands of £5,000) attributable to NHDT	(f) TOTAL at-tributable to NDHT (a to e)
T Douglas-Riley	Non-executive director	10-15	10-15	0					10-15
P Geen	Non-executive director	10-15	10-15	0					10-15
R Down	Non-executive director	10-15	10-15	100					10-15
T Neal	Non-executive director	10-15	10-15	0					10-15
K Orford	Non-executive director	10-15	10-15	100					10-15
S Kirby	Non-executive director	10-15	10-15	0					10-15
B Kent (1)	Non-executive director	10-15	10-15	0					10-15
Collaborative agreement - salary bands									
J Brent	Chairman	20 - 25	45 - 50				-		20-25
H Foster	Chief People Officer	70 - 75	140 - 145				-		70 - 75
A Harris	Chief Medical Officer	105 - 110	210 - 215				27.5 - 30.0		135 - 140
A Hibbard	Chief Financial Officer	80 - 85	160 - 165				40.0 - 42.5		120 - 125
C Mills	Chief Nursing Officer	75 - 80	155 - 160				47.5 - 50.0		125 - 130
J Palmer (2)	Chief Operating Officer (appointed 12 April 2021)	50 - 55	105 - 110				15.0 - 17.5	35-40	105 - 110
C Tidman	Deputy Chief Executive Officer	85 - 90	175 - 180				57.5-60.0		145 - 150
S Tracey	Chief Execu-tive Officer	120 - 125	240 - 245						120 - 125

(1) The Non-Executive Director commenced on 28 June 2021.
(2) The Chief Operating Officer was appointed to an Interim role on 12 April 2021 and to the substantive role on 16 August 2021.

A) Remuneration 2020/21

Name and title		(a)		(b)	(c)	(d)	(e)	(f)
		Sal-ary (bands of £5,000) at-tributable to NDHT	To-tal Salary (bands of £5,000)	Ex-pense payments (tax-able) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pensi-on-re-lat-ed benefits (bands of £2,500) at-tributable to NHDT	TOTAL at-tributable to NDHT
								(a to e)
A Hibbard (1)	Chief Finance Officer	100-105	100-105	0			50-52.5*	155-160
D Allcorn (2)	Chief Nurse	20-25	20-25	400			**	20-25
A Bell (3)	Interim Chief Nurse	30-35	30-35	0			***	30-35
T Douglas-Riley	Non-executive director	10-15	10-15	0				10-15
P Geen	Non-executive director	10-15	10-15	100				10-15
R Down	Non-executive director	10-15	10-15	0				10-15
T Neal	Non-executive director	10-15	10-15	0				10-15
K Orford	Non-executive director	10-15	10-15	100				10-15
S Kirby (4)	Non-executive director	10-15	10-15	0				10-15
Collaborative agreement - salary bands								
J Brent	Chairman	20 - 25	45 - 50	-			-	20-25
P Adey	Chief Operat-ing Officer (re-signed 31 March 2021)	65 - 70	155 - 160	-			15.0-17.5	85-90
H Foster	Chief People Officer	65 - 70	140 - 145	-			-	65-70
A Harris	Chief Medical Officer	90 - 95	210 - 215	-			47.5-50.0	140-145
A Hibbard	Chief Financial Officer (ap-pointed 1 Jan-uary 2021)	15 - 20	35 - 40				32.5-35.0	50-55
C Mills	Chief Nursing Officer (ap-pointed 18 January 2021)	15 - 20	30 - 35				2.5-5.0	15-20
C Tidman	Deputy Chief Executive Officer (appointed 1 January 2021, previously Chief Financial Officer)	20 - 25	165 - 170				10.0-12.5	35-40
S Tracey	Chief Execu-tive Officer	115 - 120	230 - 235				30.0-32.5	145-150

B) Pension benefits (subject to audit)

Name	Title	2021-22 Real increase in pension at age 60 (bands of £2500) £000	2021-22 Real increase in pension lump sum at age 60 (bands of £2500) £000	2021-22 Total accrued pension at age 60 at 31 March 2021 (bands of £5000) £000	2021-22 Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5000) £000	2021-22 Cash Equivalent Transfer Value at 31 March 2021 £000	2021-22 Cash Equivalent Transfer Value at 31 March 2020 £000	2021-22 Real Increase in Cash Equivalent Transfer Value £000	2021-22 Employers Contribution to Stakeholder Pension To nearest £100	2020-21 Real increase in pension at age 60 (bands of £2500) £000	2020-21 Real increase in pension lump sum at age 60 (bands of £2500) £000	2020-21 Total accrued pension at age 60 at 31 March 2020 (bands of £5000) £000	2020-21 Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5000) £000	2020-21 Cash Equivalent Transfer Value at 31 March 2020 £000	2020-21 Cash Equivalent Transfer Value at 31 March 2019 £000	2020-21 Real Increase in Cash Equivalent Transfer Value £000	2020-21 Employers Contribution to Stakeholder Pension To nearest £100
A Hibbard	Director of Finance	2.5-5	5.0 - 7.5	35 - 40	55 - 60	525	445	55	-	2.5-5	0-2.5	25-30	45-50	374	326	22	0.00
D Allcorn	Chief Nurse	-	-	-	-	-	-	-	-	0-2.5	0-0	40-45	85-90	671	638	0	0.00
P Adey	Chief Operating Officer	-	-	-	-	-	-	-	-	5 - 7.5	7.5 - 10	60 - 65	155 - 160	1,298	1,136	135	0.00
H Foster	Executive Director of People	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
A Harris	Executive Medical Director	2.5-5	7.5-10	75-80	235-240	1954	1814	99	-	99 0 - 2.5	0 - 2.5	60 - 65	190 - 195	1,494	1,513	-	0.00
S Tracey	Chief Executive	-	-	-	-	-	-	-	-	2.5 - 5	0 - 2.5	45 - 50	95 - 100	902	821	61	0.00
J Palmer (appointed 12 April 2021)	Chief operating Officer	0-2.5	-	15-20	-	207	164	11	-								
C Mills	Chief Nursing Officer (appointed 18 January 2021)	5-7.5	15-17.5	65-70	195-200	1519	1360	130	-								
C Tidman	Deputy Chief Executive (appointed 1 January 2021, previously Chief Financial Officer)	2-2.5	2.5-5	65-70	160-165	1275	1140	44	-								

Pension benefits notes:

(1) A number of Executive Directors have opted out of the pension scheme and it is important to note that these individuals receive no payment in lieu of pension contributions.
As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

(2) A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

(4) The Trust pension values are recorded using Consumer Price Index (CPI) rather than Retail Price Index (RPI) in previous years.

(5) For directors employed during the year prior year figures not available.

C) Fair 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 Northern Devon Healthcare NHS Trust in the financial year 2021/22 was £120,000-125,000 (2020/21 was £130,000-£135,0000) This was 3.9 (2020/21 4.5) times the median remuneration of the workforce which was £32,307 (TAC2020/21, £31,022). The ratio at the First Quartile is £121,741: £23,428, Median Quartile £121,741: £32,307 and Third Quartile of £121,741: £43,613.

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer values of pensions. In 2021/22 all directors salaries were on Royal Devon and Exeter NHS Foundation Trust payroll therefore this year for the calculation the highest paid director as per the collaboration agreement has been used.

In 2021/22 75 (2020/21 41) employees received remuneration in excess of the highest paid director. Remuneration ranged from £10,000 - £310,000 (2020/21 £16,000 - £259,000).

For 2021/22 The ratio at the First Quartile was £133,818: £21,972, Median Quartile of £133,818: £31,023 and Third Quartile of £133,818: £41,217.

D) Non-executive directors

Please notes all terms of office ended on 31 March 2022 due to integration taking place on Friday 1 April 2022, with some NEDs transferring to the new integration Trust, with a new term of office starting from Friday 1 April 2022.

The dates of contracts and unexpired terms of office for the non-executive directors (NEDs) are as follows.

Name	Appointment start date	Appointment end date
James Brent	01.07.18	31.03.22
Pauline Geen* (NED)	03.03.11	31.03.22
Tim Douglas-Riley (NED)	28.05.13	31.03.22
Robert Down (NED)	09.02.15	31.03.22
Tony Neal* (NED)	05.01.16	31.03.22
Kevin Orford* (NED)	01.04.19	31.03.22
Stephen Kirby (NED)	01.03.21	31.03.22
Bridie Kent (NED)[1]	28.06.21	31.03.22

* Joint Audit Committee members
(1) The non-executive director was appointed on 28 June 2021

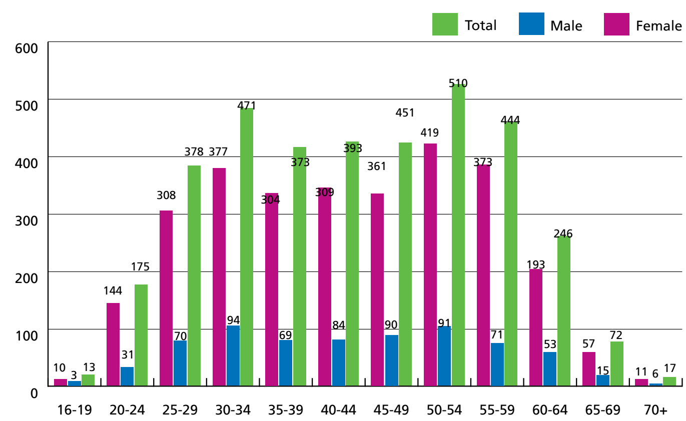
Non-executive directors are paid an allowance for their work on the Board and do not hold a contract of employment with the Trust. There is no period of notice required for non-executive directors and their appointment is organised by NHS England and Improvement.

E) Executive directors

Name	Position	Contract Type	Start date	Employment status
Angela Hibbard	Chief Finance Officer	Permanent	19.03.18	
Suzanne Tracey	Chief Executive Officer	Under collaborative agreement	18.06.18	
Chris Tidman	Deputy Chief Executive Officer	Under collaborative agreement	01.01.21	
John Palmer	Chief Operating Officer	Under collaborative agreement	12.04.21	Interim Chief Operating Officer from 12 April 2021 until 15 August 2021, when he was appointed as Chief Operating Officer with effect from 16 August 2021
Prof Adrian Harris	Chief Medical Officer	Under collaborative agreement	29.06.18	
Carolyn Mills	Chief Nursing Officer	Under collaborative agreement	18.01.21	
Hannah Foster	Chief People Officer	Under collaborative agreement	05.08.19	

STAFF REPORT

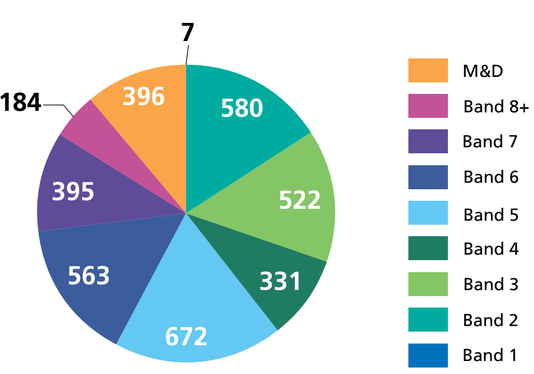
At the end of 2021/22, Northern Devon Healthcare NHS Trust employed 3663 staff.



The gender split of our workforce has remained unchanged, and is roughly 81% female and 19% male. This is similar to the NHS population as a whole, which is 77% female and 23% male, although this is significantly different to the general population (2001 census identified 48% of working age population as female).

The Trust continues to offer a comprehensive apprenticeship programme as a route into Healthcare. Although open to all, such apprenticeships remain popular to candidates from a younger age group. We have continued to see staff under the age of 20 progressing to band 3 positions which is a positive development for the younger workforce.

Equality, diversity and inclusion are at the heart of our Trust strategy and values and we recognise that supporting and developing a diverse workforce enables us to continue to build on high standards of patient care. A variety of flexible working options are open to all our staff to support their lives outside of work.



The workforce and organisation development directorate continues to work collaboratively to support all departments at the Trust, offering operational advice and training on deaf/deaf-blind communication awareness, disability equality, equality impact assessment, human rights and learning difficulty awareness.

Our gender pay gap, workforce race equality standard (WRES) and workforce disability equality standard (WDES) reports are available on the Trust website www.northdevonhealth.nhs.uk.

Staff costs and numbers

In line with the HM treasury, some previous accounts disclosures relating to staff costs are now required to be included in the staff report section of the annual report instead. The following tables link to data contained in the Trust Accounts Consolidation (TAC) forms and are included here for ease of formatting for the annual report.

Staff costs

	Permanent £000	Other £000	2021/22 Total £000	2020/21 Total £000
Salaries and wages	117,313	4,518	**121,831**	114,912
Social security costs	12,116	0	**12,116**	11,160
Apprenticeship levy	565	0	**565**	566
mployer's contributions to NHS pensions	20,942	0	**20.942**	19,951
Pension cost - other	0	0	**0**	0
Other post employment benefits	0	0	**0**	0
Other employment benefits	0	0	**0**	0
Termination benefits	0	0	**0**	0
Temporary staff (including agency)		19,162	**19,162**	15,286
Total gross staff costs	150,936	23,680	**174,616**	161,875
Recoveries in respect of seconded staff	0	0	**0**	0
Total staff costs	150,936	23,680	**174,616**	161,875
Of which				
Costs capitalised as part of assets	4,067	324	**4,391**	324

Average number of employees (WTE basis – subject to audit)

	Permanent Number	Other Number	2021/22 Total Number	2020/21 Total Number
Medical and dental	373	10	**383**	345
Ambulance staff	11	0	**11**	11
Administration and estates	423	30	**453**	396
Healthcare assistants and other support staff	1,083	80	**1,163**	1,168
Nursing, midwifery and health visiting staff	777	84	**861**	846
Nursing, midwifery and health visiting learners	0	0	**0**	0
Scientific, therapeutic and technical staff	364	8	**372**	360
Healthcare science staff	62	0	**62**	64
Social care staff	0	0	**0**	0
Other	0	0	**0**	0
Total average numbers	3,093	212	**3,305**	3,190
Of which:				
Number of employees (WTE) engaged on capital projects	69	3	**72**	10

Reporting of compensation schemes – exit packages 2021/22

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (inc. any special payment element)			
<£10,000	1	5	6
£10,001 - £25,000	0	1	1
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
Total number of exit packages by type	1	6	7
Total cost (£)	£2,000	£31,000	£33,000

Reporting of compensation schemes – exit packages 2020/21

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (inc. any special payment element)			
<£10,000	0	1	1
£10,001 - £25,000	0	0	0
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
Total number of exit packages by type	0	0	0
Total cost (£)	0	£2,000	£2,000

Exit packages: other (non-compulsory) departure payments

	2021/22		2020/21	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirement in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	6	31	1	2
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	**6**	**31**	**1**	**2**
Of which				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Equality, Diversity and Inclusion

Embedding equality, diversity and inclusion in everything the Trust does will improve conditions for all staff and, ultimately, their patients. The Board is committed to creating an inclusive environment for both staff and patients and are currently exploring plans to determine how this inclusive ambition can be achieved.

The chief people officer is responsible for ensuring that the Trust complies with equality law and any relevant NHS standards for the promotion of and assessment of equality. This reflects the importance placed by the Trust on the proper and equitable treatment of all applicants, workers and service users regardless of disability.

All staff are required to undertake equality and diversity training, raising awareness of personal and Trust responsibilities to those with protected characteristics including disability. Subject specific training is also provided on other relevant issues, for example, learning disability awareness. Whilst face to face training has been impacted during the last year due to the COVID-19 pandemic, we have been able to increase the number of Inclusion Champions in the Trust, as well as run specialist external and internal inclusion courses online which has contribute positively to the culture of the Trust and to our people. NDHT is a signatory of the Mindful Employer charter. This means that the Trust has signed up to positively supporting employees with mental health problems. We have also signed the Time to Change employer pledge, a commitment to all staff to change how we think and act about mental health at every level of this organisation. The trust is also a Disability Confident employer.

Race Equality

Data on race equality is gathered via the Workforce Race Equality Standard (WRES). This collection of data was first published in 2016 and is to ensure that employees from Black, Asian and Minority Ethnic (BAME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. The most recent data collection period (1 April 2020 – 31 March 2021)

The total number of staff employed by NDHT at 31 March 2021 stands at 3663, of which 260 were classed as identifying to be from a Black and Minority Ethnic background and 45 with Ethnicity Unknown/Null. This shows that 98.7% of staff have stated their ethnicity which is recorded in the Electronic Staff record (ESR). Black and Minority Ethnic staff represents 7.32% of the total staff population. The Black and Minority Ethnic population within the Trust has increased by 1.15% from the previous reporting period.

In terms of recruitment the data has shown that of the 358 people who were shortlisted, who classified themselves as Black and Minority Ethnic, 52 were appointed. This means that 14.5% were taken into employment. 26.5% of people who identify as White were appointed into roles. This shows that Black and Minority Ethnic staff are still less likely to be appointed directly. However, these figures are slightly closer than the previous year, therefore indicating a potential improvement in this area, but still an area requiring investigation and improvement.

Although we are pleased with these improvements there is much work to be done still when looking at race equality in the Trust, with the new Inclusion Lead in post and a new senior leadership structure in the People function looking at the holistic experience of our people we feel positive about the direction we are heading.

Gender equality

From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings.

It should be noted that no bonuses are paid within the Trust as part of pay packages; however, for the purposes of the Gender Pay Gap report, ACCEA[3] payments, part of a national scheme are classified as a bonus.

Other than for medical and dental staff (doctors and dentists), some Apprentices, Non-Executive Directors and Very Senior Managers, all other jobs are evaluated using the national Agenda for Change (AfC) job evaluation scheme. This process evaluates the job and not the post holder and makes no reference to gender or any other personal characteristics of existing or potential job holders. VSM's include Executive Directors and a small number of other senior posts.

Comparison with the previous years' data shows that our pay gap, using both the mean and median average indicators, has remained relatively stable. The percentage comparison between males and females receiving bonus pay has shown that there is a decrease in the overall amount of bonus payments received by males and an increase in the overall amount of bonus payments received by females, although the percentage and overall payments received by males is significantly higher than that received by females. Although in comparison to the national average our gender pay gap remains poor with significant work to be done.

3 "ACCEA" stands for Advisory Committee on Clinical Excellence Awards

Women's hourly rate is:	
32.1% LOWER (mean)	23.3% LOWER (median)
Pay quartiles:	
How many men and women are in each quarter of the employer's payroll	
Top quartile	
36.3% MEN	63.7% WOMEN
Upper middle quartile	
15.3% MEN	84.7% WOMEN
Lower middle quartile	
12.6% MEN	87.4% WOMEN
Lower quartile	
14.0% MEN	86.0% WOMEN
Women's bonus pay is:	
39.9% LOWER (mean)	48.8% LOWER (median)
Who received bonus pay:	
5.2% OF MEN	0.7% OF WOMEN

SOURCES OF PAY GAPs

The table below shows our gender pay gap for all staff, excluding medical and dental staff.

The gender pay gap data with medical consultants removed shows a significantly lower gender pay gap, and is lower than national, local and sector benchmarks. This confirms that Medical staff account for a large proportion of the gender pay gap; however, there is still much work to do to eradicate the pay gap overall.

To enable future equity and change some of the actions needed are external to the organisation and will be subject to review by other professional bodies such as the ACCEA, however, we recognise the future merger between Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust will provide an opportunity to review existing and future workforce needs and areas of disparity between males and females.

Our inclusion plans will look to improve our overall recruitment processes, training requirements and policies, which we hope will have a positive impact on our workforce and gender equity in future reports.

Sickness absence

Our sickness absence level has remained relatively static, with a 12 month rolling average rate of 4.3%, slightly above our target of 3.5%. However, this was significantly impacted by COVID-19 during the year and reflects the attention provided to supporting staff by managers during this challenging year.

The Trust continues to proactively manage and support staff to attend work working jointly with staff side colleagues to promote a healthy working environment. Together with staff side, the Trust has continued to plan, implement and monitor the success of a comprehensive range of both COVID-19 and non-COVID related wellbeing initiatives, designed to provide staff with the support they need to actively manage their own health and wellbeing.

Disability

The Equality Act 2010 defines disability and makes it clear that a person is disabled if they have a physical or mental impairment that has a substantial and long-term negative effect on their ability to do normal daily activities.

The Workforce Disability Equality Standards (WDES) was first introduced in 2019 and requires Trusts to compile and submit a standardised national report of its findings and to demonstrate performance against a number of indicators relating to workforce disability equality, including a specific indicator to address the low levels of representation for staff with disabilities at Board level. The current WDES report covers the data collection period (1 April 2020 – 31 March 2021)

The WDES should ensure that employees who have a disability have equal access to career opportunities, receive fair treatment in the workplace and should highlight any differences between the experience and treatment of those who identify as having a disability versus those who do not, with a view to closing any identified gaps through the development and implementation of action plans focused upon continuous improvement over time.

	NDHT All Staff			NDHT Excluding Consultants		
	Male Hourly Rate	Female Hourly Rate	Gap	Male Hourly Rate	Female Hourly Rate	Gap
Mean average	£24.84	£16.86	32.1%	£19.99	£16.32	18.4%
Median average	£19.38	£14.86	23.3%	£17.27	£14.60	15.5%

The total number of staff employed by NDHT at 31 March 2021 stood at 3553, of which 147 were recorded as having a disability with 189 having an unknown status in ESR. This shows that 94.68% of staff have stated their disability status, which is recorded in ESR. Staff with a disability represent 4.14% of the total staff population.

In February 2020 the Workforce Team commenced a data cleansing exercise for staff who had an ESR status recorded as unknown. The intention was to reduce the number recorded as unknown either to having a disability, not having a disability or do not wish to disclose. A result of this work has shown a small decrease in the number of unknown declarations. This data cleansing work was temporarily suspended during COVID-19 but will be resumed when opportunity permits. We believe having improved data will allow us to better understand the experiences of our staff with disability, as well as help understand whether the measure put into place are making a difference.

In terms of recruitment the data has shown that of the 145 people who were shortlisted, who classified themselves as disabled, 25 of these were appointed. This means that 17.2% were taken into employment. 25.4% of people who identify as not disabled were appointed into roles. This shows that people classified as disabled are still less likely to be appointed directly. However these figures are closer than last year, indicating a potential improvement in this area. It is important to note that only 72% of disabled applicants who were shortlisted actually attended interview. Of those, 15.4% were appointed.

There is much work to be done still when looking at the experiences of staff with disability in the Trust, with the new Inclusion Lead in post and a new senior leadership structure in the People function looking at the holistic experience of our people we feel positive about the direction we are heading.

Staff who become disabled

Whenever possible we support staff to either prevent or minimise the impact of any disability on the ability to work. Early referrals to occupational health service are encouraged so that action can be taken to aid rehabilitation and return to work following illness or injury, making any reasonable adjustments that can assist.

The Trust will make reasonable adjustments to support existing staff who become disabled and these adjustments will be reviewed in response to the changing needs of the individual. These adjustments may apply to a physical feature or working arrangements, which would cause a substantial disadvantage to a disabled person compared to a non-disabled person.

The management of work related stress policy is supported by a library of leaflets, assessment templates and external links to help managers have a positive impact on the health and wellbeing of employees.

Staff survey results

The national NHS Staff Survey 2021 questionnaires achieved a response rate of 51.3% from staff. This is below the previous year's response rate of 55.4% however is still 5% higher than the overall response rate for acute and acute & community Trusts, which is 46%. When we consider the number of days spent in escalation during the fieldwork period and the ongoing pandemic, achieving over 50% should still be considered a good result.

This year, the NHS Staff Survey has seen the most significant changes in a decade, and the questions are now aligned to the People Promise which is made up of seven elements:

The NHS continues to experience significant challenges as a result of the ongoing pandemic, which has, and continues to impact each and every one of us. Our 2021 staff survey reflects the difficult year that we have had and shows a decline across 68.3% of comparable scores, compared to 2020. There are some questions that show improvements (17.5%) or no change (14.3%). Crucially too, it is important to note that the initial reports show that NDHT's scores are above the benchmarking average score for all but 6 questions (93.5%).

Our overall staff engagement score has seen a decrease again in 2021, however this is in line with the negative trajectory seen nationally in this area and it remains above the average score within our acute and acute & community benchmarking group.

Key findings from the survey include:

- NDHT scores above average in all of the 7 survey people promise elements and the staff engagement and morale themes.
- Declines have been seen across 68.3% of questions when compared to 2020, reflecting the challenges that NDHT, and the NHS as a whole, has and continues to experience.
- Overall, NDHT scores around health and wellbeing remain positive, with 59.7% of staff reporting that their organisation takes positive action on health and wellbeing (3.3% higher than average). A 2% improvement has also been seen in staff reporting that they have experienced musculoskeletal problems as a result of work. However work related stress continues to rise, with a further 3% decline seen in 2021.
- NDHT has the highest positive score for staff reporting that they have personally experienced discrimination at work from manager / team leader or other colleague.
- For the first time in two years, a decline can be seen in the advocacy scores, with less staff reporting that they would recommend the Trust as a place to work (67.7% v's 74.3% in 2020) or that they would be happy with the standard of care if a friend or relative needed treatment (72.6% v's 78.5% in 2020).
- After seeing a significant improvement in 2020, the amount of staff putting themselves under pressure to come to work has risen in 2021, from 39.8% in 2020 to 48.6% in 2021, which is mirrored nationally within the acute & community benchmarking group.

Staff health and wellbeing

Over the past year we have continued to be committed to providing health and wellbeing support to our colleagues and provide and promote a range of services including:

- Access to our in-house occupational health (OH) team via self-referral. This can be to see our OH physician, OH specialist nurse, OH counsellors or our OH physiotherapist.
- 24/7 telephone support Employee Assistance Programme (EAP) which also offers online support tools and telephone counselling sessions
- Access to the Devon Wellbeing Hub – providing mental health support
- Access to Talkworks – providing mental health support
- Access to mental health first aid support from our network of trained colleagues
- A network of staff health and wellbeing champions, who advocate healthy lifestyle choices, promote the importance of health and wellbeing and encourage their colleagues to maintain a work life balance.
- Menopause at work support, including virtual menopause cafes and talks
- Annual flu vaccination programme for all staff
- COVID-19 vaccination programme
- Intranet signposting to internal and external local support services
- Regular supervision and appraisal

We have maintained regular communication with our colleagues to support and promote the importance of self-care, compassion towards self and others and this is enhanced by wellbeing conversations with line managers and supervisors during one to one's and annual appraisals.

The introduction of a wellbeing guardian on the Trust Board also ensures that health and wellbeing agenda is a top priority for the organisation going forward and we will continue to develop and adapt our health and wellbeing support for our colleagues to best suit their needs.

Organisational change and employee consultations

We continued to support the Trust to effect changes required to support operations in response to COVID-19. Since their introduction in 2019 our workforce business partners have proved invaluable in supporting divisions and the wider Trust in the response to the pandemic, in addition to contributing to planning for recovery and in workforce planning for the future.

During this reporting period they supported and completed 11 Management of Change (MOC) programmes, mainly related to changing shift patterns, introducing seven day services and relocation of services. At the time of this report, five MOC programmes were in progress.

We undertook a TUPE consultation with all NDHT staff in the run up to integration. All staff were written to and a number of TUPE staff consultations sessions where held with staff as well as information shared about any measures intended as a result of the TUPE transfer to the new joint organisation. This had the full involvement of Trade Unions as required by law and no formal objections arose from the process.

Employment advice and employee relations

The employee relations team continue to work in a modified way, the service continues to experience challenges and disruption due to the enduring restrictions associated with COVID-19.

Employee Relations provide a HR Advice e-mail service, first introduced in March 2020, to cope with the constraints of COVID-19. Where possible face to face on site support is provide to employees and managers during employee relation meetings. The workload for the employee relations team consisted of a steady stream of business as usual (BAU), COVID-19 queries and an additional increase in workload to prepare for the mandatory vaccination legislation to make COVID-19 vaccination a condition of deployment (VCOD) for staff working within health and social care. In addition to the workload involved to prepare for VCOD the HR advice e-mail service experience a steady stream of enquires relating to the legislation from the workforce. The employee relations team remains agile in approach and ready to respond to the needs and challenges brought about by the ever changing circumstances of COVID-19 and Government updates.

The requirement for the service remains high. Predictably, COVID-19 continues to have an impact on the team's ability to undertake investigations and hold ER hearings and meetings face to face. With the engagement and co-operation of all involved cases continue to be managed and supported in a professional manner and on the whole virtually via MS Teams.

As a result, the number of formal employee relations cases supported by the team has seen a slight decrease in cases from the previous year at 176.

Formal employee relations cases supported by the team:

- 134 sickness absence management cases
- 12 performance management cases
- 16 disciplinary investigations
- nine grievances
- five bullying and harassment investigations.

The challenges of the past year and the way in which we navigated and worked together with our Staff Side and Trade Unions colleagues clearly demonstrates the growth, strength and evolvement of the partnership. The table below detailing the year/year +/- Employee Relations workload indicates early signs of the joint work undertaken with Staff Side and Trade Unions to introduce and promote a just and learning culture with principles focusing on restorative and learnings outcomes rather than on process inputs and punitive sanctions. We have maintained a number of formal committees/forums to support this partnership that includes, Workforce Planning & Wellbeing (PWPW) Committee; Partnership Forum; Policy Working Group; and Pay and Reward Group. These meetings continue to be held virtually and represent our ongoing commitment to partnership working.

Employee relation case type	2021	2022	Difference+/-
sickness absence management	146	134	-12
disciplinary investigations	31	16	-15
performance management	13	12	-1
grievances	8	9	1
bullying and harassment investigations	7	5	-2
Employee Relation Case Total	**205**	**176**	**-29**

Recruitment and Retention

In recruitment terms, 2021/22 has been a significant year and candidate expectations have radically changed. Technology has never played such an important role in the attraction, selection and appointment of new candidates and the competition for talent has never been so fierce.

Northern Devon Healthcare NHS Trust has historically had a number of roles that have been identified as difficult to recruit to for a variety of reasons. Often this is due to the specialist nature of the role, the shortage of the occupation or the geographical location; or perhaps a combination of all three.

The ONS report significant changes in vacancy numbers across all sectors and, increasing over time but particularly in the last quarter of 2021/22 with vacancies at 'record levels'. This increased competition for candidates, coupled with more flexible working locations drives a candidate to have more choice over where and for whom they wish to work.

In a candidate driven market, advertising jobs and expecting candidates to apply is no longer a suitable strategy for many of our vacancies. Where we would normally be competing in a local or regional market, due to increased flexibilities of remote working this has now extended our competition to a national and sometimes, global reach.

Since the first quarter of 2021/22, NDHT and RD&E have invested in an in-house recruitment pilot that proactively recruits candidates to very senior management and specialist roles. For certain roles, this service allows the Trusts to work together to bolster existing recruitment strategies with a headhunting search to supplement existing recruitment strategies. In the last quarter of the year, this team has been appointed substantively in order to secure this long term resourcing strategy.

The Trust has worked with the wider Integrated care System (ICS) collaboration of the Devon International Recruitment Hub to attract, recruit and retain registered nurses from overseas. The nurses are integrating extremely well into the Trust. Around 50% of these recruits have now gained their NMC registration and can work as full registered nurses. The others are progressing well towards achieving their registration. The Trust has been proactive in supporting and reassuring our EU staff actively encouraging them to apply for "settled status" in the UK.

In November 2021, the Trust ran the first face-to-face recruitment event at Bideford Hospital which was met with great interest from candidates, leading to a number of employment offers. Further, in order to support the recruitment of Healthcare Assistants in the acute Trust, the nursing workforce in collaboration with HR teams have launched a webinar series to promote the role of the healthcare assistant, and the career progression that role leads to. This has been received with great success, with each webinar resulting in 20 or more offers of employment.

The Staff Bank (nursing and administrative) has continued to expand and develop. New appointees to substantive posts are also set up with a bank assignment so that they can opt to undertake bank shifts if they wish without having to separately apply for and be set up on the bank. Staff who are retiring can opt to remain on the bank with minimal bureaucracy. The bank team also run regular recruitment events for individuals who want the flexibility of working on an "as and when" basis. The number of workers on the bank with a "bank only" contract has continued to rise, and is reflective nationally of the number of employees leaving full-time paid employment to undertake flexible working in line with their lifestyle choices.

Since the launch of our medical and dental (M&D)/allied health professional (AHP) bank in 2017, we continue to offer all junior doctors and AHPs the opportunity to join the bank in order to enable them to pick up ad-hoc locum shifts at the Trust. Shifts are offered out to all suitable bank workers through an electronic booking system which ensures equity of access to bank shifts, weekly e-timesheets and improved visibility of both bank and agency work being undertaken by medical and dental and AHP staff within the Trust. Our bank contract includes the ability for our bank workers to work as part of the Devon STP M&D/AHP collaborative bank and we continue to work with our STP colleagues to ensure that bank workers who are recruited by one Trust are then able to seamlessly work at other local Trusts to reduce the reliance on agency workers across the Devon STP area.

We have restructured the management of the Recruitment and Resourcing function to establish an employee sourcing and attraction manager post. This will enable us to increase our focus on strategies and campaigns to recruit to "hard to fill" roles as well as developing new roles to support the work of roles where there continues to be national shortages.

As well as maintaining strong recruitment programmes, we have also, through the workforce business partners, continued to keep a focus on retention. The rolling 12 month Trust turnover rate of 13.3% is above the target rate of 10%. However, the rate varies for different professional groups. The turnover rate for the nursing and midwifery staff group is 12% which is higher than we would wish and therefore this a staff group we continue to focus on in terms of retention action plans.

Electronic Rostering (eRostering)

The Trust has seen another successful year of developments for eRostering and the eRoster Team. Work has started on the final couple of departments who are not fully rostered which means that by May 2022 we will have reached the milestone of 100% coverage of all non-medical staff on HealthRoster.

The most significant development for the eRoster team in the last 12 months has been the implementation of a new interface with ESR in April 2021. The interface which is known as ESRGo means that any changes to staff records on ESR are now automatically loaded into HealthRoster for the majority of staff. This has saved significant amounts of time by eliminating duplication of data entry and removed the reliance on managers to send the correct information to the eRoster Team in a timely manner. There has been an increase in the quality of data in HealthRoster as it should now fully reflect the data in ESR. This also gives managers increased visibility of the data held within ESR and we have found multiple examples of errors in either start dates or contracted hours changes which managers have noticed in HealthRoster which would not have been picked up as quickly before we had ESRGo.

The other recent development has involved changing our roster week start date to Monday on 14 March 2022. Our rostering system was set up 12 years ago with a Sunday start date to reflect the working practice of our inpatient nursing teams. However as we have rolled out the system to all staff groups the majority of staff have a week start day of Monday so we decided to switch the settings. At the same time we decided to move our roster publication timeline so that it is aligned with the RD&E timeline. This will aid the eventual integration of the two systems following the planned integration.

We continue to provide support for the Trust in its response to the COVID-19 pandemic. This includes contributing to the daily absence sickness returns process and also providing rostering support to the mass vaccination centre in Barnstaple. We have helped to ensure that they have full visibility of their staffing (including all temporary bank workers), that staff are paid accurately and in a timely manner, and that we meet our national reporting requirements. Our team has also provided regular updates to Gold Command on the status of annual leave usage across different staff groups the trust. This has to provide assurance that staff have been taking their annual leave regularly throughout the year to help them maintain their health and wellbeing in spite of the pressures caused by COVID-19.

Implementation of HealthRoster has been completed for Hotel Services staff, Sexual Health teams in North and East, and work is in progress to get Dermatology and SARC set up and trained. We have also supported the MyCare project teams by setting up their roster and expense approvers so that unsocial hours payments, overtime and expenses claims have been paid in a timely manner, helping to keep the project running smoothly.

We continue to work closely with Payroll to maximise the benefits of HealthRoster in making their processes more efficient and generating efficiency savings. This has included moving Pathology On-call payments onto HealthRoster eliminating the need for paper claim forms and manually processing.

During the last year we have recommenced face-to-face training sessions which has been a positive development. We are also still offering virtual training sessions and have done lots of work on developing our intranet pages to include short training videos to try and improve the reach of our small team, and to provide flexibility to busy managers.

We have continued to work with NHS Professionals (NHSP) to provide a seamless interface between our two systems to support the deployment of bank workers so that teams under pressure have accurate information on the staffing picture, and to contribute to ensuring safe staffing.

For medical staff rostering we remain one of the leading trusts at a national level and have been working closely with our supplier recently to talk about how they can make improvements to their software based on experiences of what works well and helps engage medical staff with eRostering. We have also worked with them to inform the development of functionality for HealthRoster. We worked with Payroll and the Medical Education Centre to make study leave expense claims electronic for consultants and speciality grade (SAS) doctors. Utilising the expenses system has improved the efficiency of the claims process and reduced the time that staff have to wait to be reimbursed. We have also been working closely with the Payroll and Counter Fraud teams to develop method for paying medics for additional work directly from eRoster. The expectation is that this will increase the accuracy of claims, reduce the administrative burden for medical staff and managers, and reduce the length of taken to pay staff for additional work.

Workforce development

Learning Management System

The Trust launched a new learning management system (LMS), Learn+, in May 2021. This has enabled all colleagues to more easily access required and developmental learning. It provides a user friendly experience to book or undertake learning as well as hosting appraisals and recording one to one meetings. This has been a successful collaboration with the RD&E team where it will be launched this summer.

Training compliance

In March 2022 compliance for completion of mandated training topics stood at 83.4% just below the Trust's target of 85%. 2440 appraisals took place between 1 April 2021 and 17 March 2022 which represented 68% of Trust employees against a Trust target of 85%. Both training and appraisal compliance have remained severely affected by COVID-19.

Development

The trust has benefitted from the blended learning approach embraced through the pandemic with further offerings of eLearning, virtual learning and face to face development which are now available for many more subjects.

Three Trust training rooms were repurposed due to COVID-19 due to space requirements to support clinical services and a temporary venue in Barnstaple was secured for a year to enable delivery of practical, mandatory skills, which were difficult to be delivered virtually.

The Trust continues to support Continuing Professional Development (CPD) funds for colleagues in some registered professions and has so far provided funding for the personal development of over 500 colleagues. Coaching skills, ILM leadership Level 5 and management development have continued to be offered to support our new managers and leaders.

Integration planning and preparation

In readiness for the proposed integration the learning teams at both NDHT and the RD&E have started working together and are implementing a specific learning and development project plan. This work includes a combined trust induction programme, reviewing policies and procedures and work to align the development offerings. Both trusts are now using the same online appraisal conversation tool and a project team will continue to work together to ensure consistency, quality and easy access for all.

Apprenticeships

Since the Government introduced the apprenticeship levy in April 2017, the tables below indicate how many apprentices we have supported and the levy spend:

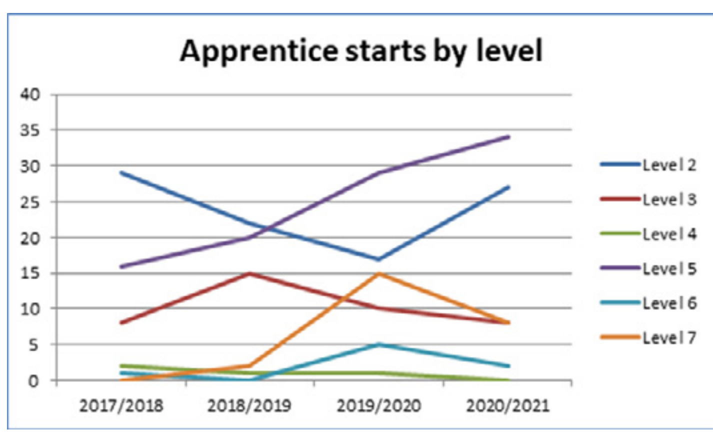
Apprentices by professional group

Professional group	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Total
Non Clinical	18	20	10	3	5	**56**
Unregistered Clinical	18	16	17	27	32	**110**
Registered Clinical	14	18	28	34	33	**127**
Advanced Practice	0	2	15	4	6	**27**
Leadership and Management	4	2	2	3	1	**12**
Healthcare Science	0	0	5	2	4	**11**
Estates and facilities	2	0	0	0	2	**4**
Education	0	0	0	2	2	**4**
Pharmacy	0	2	0	4	2	**8**
Total	**56**	**60**	**77**	**79**	**87**	**359**

Our data shows that since 2017 we are employing more female apprentices and the highest age range is between 20-29. Below are our figures for 2021/22.

Age group	2021/2022
16-19	4
20-29	35
30-39	25
40-49	16
50-59	7
60+	0
Total	87

You can see that our biggest rise has been the Level 5 standards.



We are currently exploring our apprenticeship offer will look like post integration and how items such as apprenticeship salaries will be implemented in the new organisation.

Project Search

Project Search is a nationally run programme designed to increase the employability for individuals who have a learning disability. We are delighted that over the last nine years we have supported many students to gain employment who have a learning disability, and are now in paid employment. We have integrated the government 'Kick Start' initiative in with Project Search and this has provided greater flexibility for participants to remain in employment at the end of their Project Search programme.

Those that have gained employment with us work across the trust, and also with our on-site partner, Sodexo, who have continued with their support with our programme and for also employing these students.

Number of students hosted at NDDH since 2013	75
Number employed by NDDH	19
Number on KICKSTART scheme	2
Number employed outside of NHS	28
Number left the programme	4
Left programme for other reasons	4
Those unable to find employment	12
Students on programme	6

Health and care academy/work experience

COVID-19 has provided challenges in the trust being able to continue to support our work on the health and care academy and work experience programmes. In response, both programmes were rapidly developed to be delivered virtually.

At the start of April 2021, we continued to offer virtual sessions to many learners across the South West. From February 2022 we were delighted to welcome back our Business Academy students, who are currently studying Business Administration at Petroc College. This is a 13 week programme and they will be shadowing non-clinical departments across our Trust to give them a real insight into admin support functions.

Other disclosures

Emergency preparedness, resilience and response

The Trust began the 2021 financial year in National Incident Level 3; the local COVID-19 risk level was assessed as low. There was one COVID-19 positive inpatient, this reduced to zero from Monday 5 April 2021. The Gold Command meetings had been reduced to once a week; during the height of COVID-19 in 2020 they were held twice a day seven days a week. Visiting and maternity support restrictions were lifted on Monday 12 April and one named visitor was allowed to visit for one hour per day.

In line with national guidance the following initiatives were continued in 2021/22 to manage the COVID-19 pandemic:

- Daily COVID-19 dashboard published
- Continuation of social distancing in Trust premises
- Staff asymptomatic testing was continued with Lateral Flow and LAMP tests
- Patient visiting was restricted.
- The Trust site and Community sites were locked down, to manage access
- The Trust's virtual outpatient appointment system 'Attend Anywhere' platform was updated
- Remote working was continued for clinical and administrative teams where possible
- The staff COVID-19 risk assessment model was updated to include vaccination status
- Touch point and enhanced cleaning maintained
- Drive through use extended to include asymptomatic COVID-19 testing for patients
- Dedicated access to 24/7 PCR testing for staff
- Projected local modelling of COVID-19
- COVID-19 surge planning

The Trusts COVID-19 Incident Response Framework was reviewed and updated throughout the year. The plan was created following Joint Emergency Services Interoperability Programme (JESIP) principles to provide the overarching framework against which the incident would be managed, the aims and objectives were set and a three tiered command structure established. The command structure was supported by an infrastructure of organisation wide cells – providing a response to specific national policy and guidance and the clinical and operational frameworks required to enable the organisation to function and provide care for all patient groups. Throughout the year the cells were stood up and down dependant on the COVID-19 levels and requirements at the time.

The number of weekly Gold Command meeting changed frequently throughout the year dependant on the number of COVID-19 inpatients and the local risk level.

On Wednesday 18 August 2021 the local risk level was increased to medium.

In September 2021 the Gold Command were sited on work for mandatory vaccinations for those working in care homes.

The National Incident level was increased from Level 3 to the highest level, Level 4, on Monday 13 December 2021.

December 2021 was extremely challenging for the Trust. There was an increase in COVID-19 admissions, increased staff absences due to COVID-19 and significant pressures on bed capacity by increasing number of emergency admissions. During this time work continued to plan for the Omicron variant and vaccination activity increased exponentially. A shadow manager on call rota was established to ensure resilience of the tactical level on-call staff from December 2021 through to the end of January 2022. The response by the on- call staff was commendable, they have continued to be flexible and positive to last minute changes throughout the COVID-19 response.

The Trust has continued to be agile in its response to frequently changing national guidance ranging from use of PPE, frequency and types of COVID-19 testing for patients and staff, vaccinations requirements, staff shielding, clinically vulnerable criteria's and visiting restrictions.

The Trust has undertaken a Wave 3 (pre-Omicron) debrief in response the lessons learnt documented, actions identified – and completed – the reports have been shared with the NHSE Incident Response Team to facilitate system learning.

In addition to the COVID-19 response the Trust opened its Incident Control Room to manage the phone system upgrade on Monday 26 April 2021.

The Trust worked with the Devon, Cornwall Isle of Scilly (DCIOS) Local Resilience Forum (LRF) partners to support the G7 Summit held in Cornwall from 11 – 13 June 2021 with world leaders gathering in Cornwall including Prime Minister Boris Johnson and President Biden. Planning for the event involved reviewing VIP plans and casualty distribution numbers throughout the South West.

The Trust reinstated face to face training in June 2021 with social distancing and PPE restrictions.

Since then the EPRR Team have delivered:

- Four CBRNE sessions to the Emergency Department.
- Seven Healthcare – Strategic Leadership in a Crisis and Emergencies to On-call staff.

In conjunction with other NHS Trusts in the South West a 'Legal aspects the aftermath' training session was held with a practicing lawyer specialising in cases of major incident in the UK was held in July in preparation of the COVID-19 public inquiry.

On call directors, managers and facilities staff attended an Action Counters Terrorism session delivered by Counter Terrorism Security Advisers. The session explained the threats from terrorism and simple security measures that can be taken to protect the organisation. The session took place two weeks prior to the terrorism incident that occurred in the taxi outside Liverpool Women's hospital.

A CBRNE Train the Trainer was held on Tuesday 15 March 2022 the session was delivered by South Western Ambulance Service NHS Foundation Trust to staff with responsibilities on actions cards in a CBRNE response.

During August 2021 a shortage of BD Becton Dickinson blood tubes and during October 2021 a shortage of Baxter Pumps ensured the Trust tested its Business Continuity (BC) plans for the loss of suppliers and specialist equipment.

COVID-19 has continued to test the BCP plans in the following areas:

- Loss of key workers,
- Loss of access to premises,
- Increased staff illness and absenteeism
- Infectious disease
- Surge – significant increase in demand
- Loss of electricity
- Loss of water
- Loss of suppliers
- Loss of road fuel
- Severe weather (storm and extreme heat)

During December a public inquiry document preservation notice was issued, to inform staff to retain all correspondence, notes email and other information containing content pertaining directly and no directly to the NHS response to the COVID-19 pandemic.

The Trust had a number of incidents during the year:

- The Met office issued the first extreme heat amber warning for the South West from 19 – 22 July 2021, the Trust's Heatwave plan was enacted due to the warm weather.
- The Trust experienced an intermittent outage to IT and the telephone system on Tuesday 12 October 2021. The outage had no impact on patients mainly due to the introduction of emergency mobiles for the outpatients department; the mobiles were distributed to the Clinical Management Centre to allow them to continue booking patient appointments and to Clinicians to allow telephone appointments to continue. The outage affected the PACS system as the outage was relevantly short, no patients in Radiology were cancelled and any delays to reporting were limited.
- February 2022 saw Storms Dudley, Eunice and Franklin occurring within a week; Storm Eunice resulted in a red warning of wind for our area. The incident control room was set up and plans made to prioritise critical services.

During 2021/22 the Trust had 86 days with no COVID-19 inpatient which is a reduction on 2020/21 where there were 130 days without COVID-19 inpatients. In March 2022 we reached our highest ever number of COVID-19 inpatients, over 100.

The Trust has spent 257 days in OPEL 3 the operational pressures have significantly increased on the previous year when the Trust spent a total of 57 days in OPEL 3.

This year the Trust has continued to work with the restrictions of COVID-19 as well as returning to providing normal services that were suspended during the height of the pandemic. The positive reaction from staff to the fluctuation of incident response has been remarkable and ensured the Trust has been able to deal with all the disruptive challenges and emergencies that 2021/22 has brought us.

Fraud policies and procedures

The Trust has a clear strategy for tackling fraud, corruption and bribery. This is documented in the Counter Fraud, Bribery and Corruption policy which details responsibilities and how to report suspicions of fraud, bribery or corruption.

The Trust has a lead accredited Local Counter Fraud Specialist (LCFS) via consortium arrangements with ASW Assurance. In addition, the Trust has a number of nominated support LCFS' from within the consortium that are able to support the organisation as required. The LCFS ensures risks are mitigated and systems are resilient to fraud, corruption and bribery. An annual counter fraud work plan is reviewed and approved by the Audit Committee.

The Chief Finance Officer and the Audit Committee oversee the work of the LCFS. Reports on progress with delivery together with outlines of referrals received and investigations are regularly provided to the Audit Committee. The LCFS also highlights to committee any issues that have arisen so that appropriate action can be taken.

The program of counter fraud work was delivered in 2021/22 addressing all components of the Government Functional Standard GovS 013: Counter Fraud and NHS Counter Fraud Authority strategy. The LCFS develops and maintains key relationships across the Trust and this, coupled with the work undertaken by the LCFS, has resulted in the development of an anti-fraud culture within the Trust.

Disclosure of personal data-related incidents

In accordance with NHS Digital, supported by the Department of Health (DH), the Information Commissioner's Office (ICO), Care Quality Commission (CQC), NHS England and the Information Governance Alliance (IGA), the Trust is required to publicly report all information governance and cyber security serious incidents requiring investigation (SIRIs) which are assessed as meeting level two.

For the 2021/22 financial year, the Trust reported:

- Two information governance SIRIs.
- Zero cyber security SIRIs

These two incidents were ICO-reportable. The first incident related to the Trust website, after reviewing the corrective actions the ICO decided that no further action was required. The second incident related to inappropriate access and is the subject of an on-going police investigation, the results of which will be shared with the ICO.

HEALTH AND SAFETY

Over the last financial year, the Trust had the following focus in relation to the Health and Safety agenda. This has been achieved whilst collaborating with RD&E to harmonise services:

COVID-19 safe working

Work continued to keep staff safe whilst working during the pandemic following national guidelines and infection control requirements under the COVID safe working group who meet when guidance is updated. This includes the use of personal protective equipment (e.g. face masks), safe distance working, hand hygiene and ventilating workspaces.

Staff working from home and flexible working practices have increased and these have been supported appropriately by advice and guidance.

Off-site locations such as Devonshire House (recently acquired) provide high quality permanent and hot desk work space to a number of support services.

Specific guidance to support staff working from home including working safely whilst using display screen equipment has been produced. New working practices will bring challenges concerning staff health, safety and wellbeing which will be monitored during 2022/23 (e.g. isolation risks and psychological harm for those working remotely from teams).

Review of health and safety function

The consultancy review of the health and safety function was concluded. The Symonds Safety Associates final report (8 July 2021) was used to provide framing for a wider conversation about health and safety governance, compliance, capacity and infrastructure.

A new position was created (one year fixed term) for a Head of Health and Safety from 1 September 2021.

ASW Assurance commenced an audit of the health and safety function on 21 February 2022 to assess current arrangements, checking on the progress of the action plan agreed following the ASW 2020 audit.

The auditors will review a number of objectives including RIDDOR reporting, the Control of Substances Hazardous to Health (COSHH) and inspection programmes.

Each objective will be assessed on the direction of travel in terms of integration with the RD&E and the development of the NDHT/RD&E combined Health and Safety Department.

The impact of COVID-19, recovery plans and transformation on any changes to the systems and processes in place will be considered.

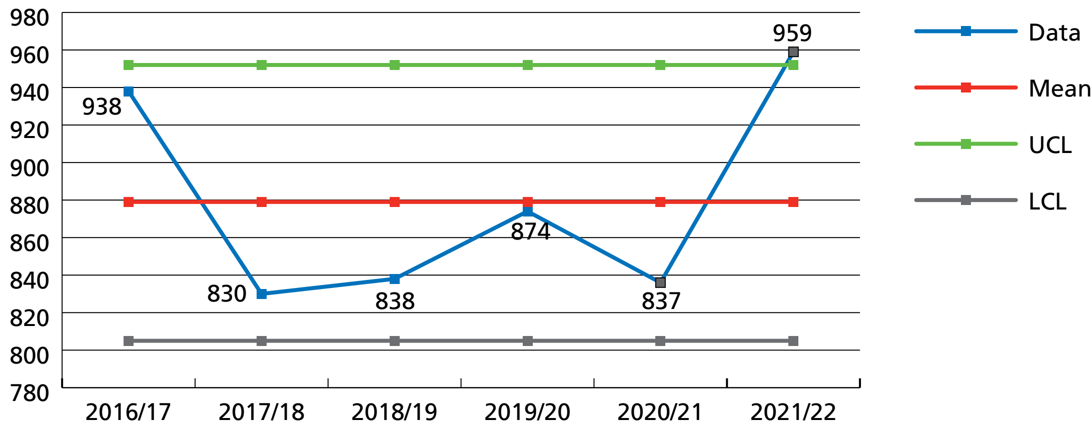
Joint Health and Safety Group

With integration of services, Hannah Foster, Chief People Officer (accountable director for Health and Safety) oversaw the merging of the RD&E and NDHT Health & Safety Groups. The first joint Health & Safety Group meeting was held on 18 November 2021 under a new Terms of Reference.

Receiving and responding to staff incident reporting

Incidents relating to health and safety are presented in quarterly incident reports to the Health and Safety Group. Matters that require further attention are escalated to the Safety and Risk Committee.

The following tables present the total number of patient, staff accidents and violence and aggression incidents by financial year.

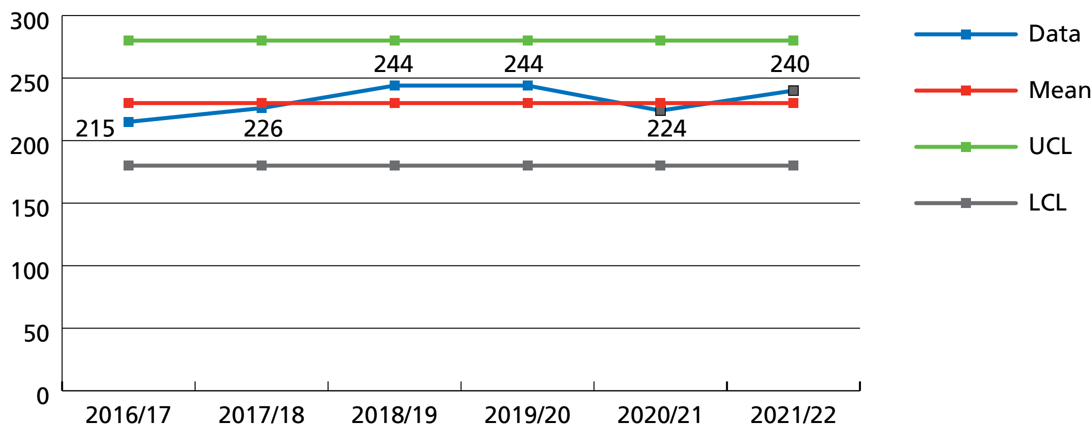


Of the 959 patient accidents, the top sub categories of accident reported during 2021/22 are:

- 700 slips, trips and falls
- 78 controlled lowering to the floor

Based on outcomes, 98.5% of patient accidents had severity ratings of NONE or MINOR.

STAFF ACCIDENTS BY REPORTED FINANCIAL YEAR



Of the 240 staff accidents, the top sub categories of accident are:

- 60 contaminated inoculation injuries (needlestick)
- 43 slips, trips and falls
- 42 moving and handling (34 patient, eight non-patient)

Based on outcomes, 93% of staff accidents have severity ratings of NONE or MINOR.

Moving and handling

The Back Care Team have identified patient and staff safety concerns regards the availability, storage and management of plus sized equipment. Actions to mitigate the risk include:

- Audit of existing equipment
- Cost benefits analysis (hire versus purchase of equipment)
- Equipment Management procedures
- Identification of a storage area for plus size equipment
- Cohorting plus size patients
- Implementation of a working group and harmonisation in the new Trust

Failure to adequately manage risks associated with the care of plus size patients will increase inpatient stays, have negative impact on rehabilitation, increase risk of injury (staff and patients) and is likely to compromise the delivery of optimal care. The action plan will be progressed during 2022/23.

Inoculation injuries

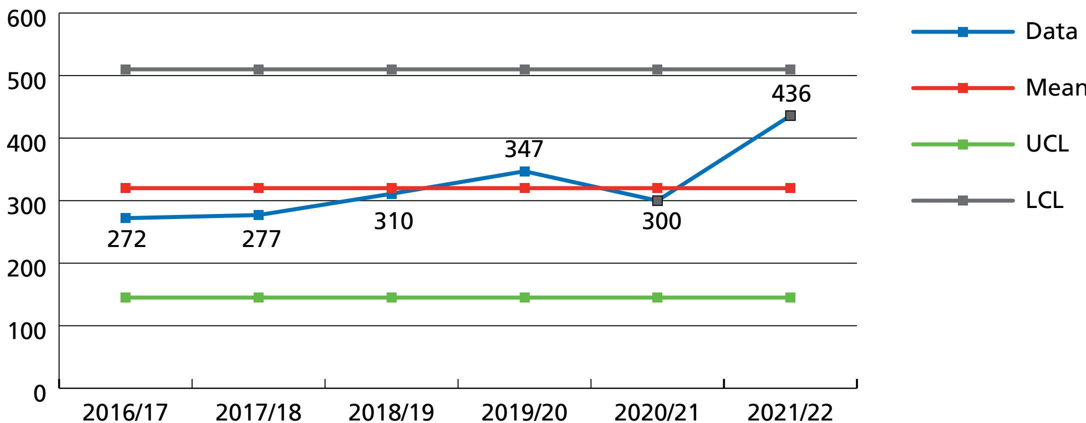
The prevention and management of inoculation injuries (needle stick) are reviewed as part of the health and safety audit programme. Further work is planned in conjunction with Infection Prevention and Control to provide assurances regards appropriate use of safer sharps and that adequate risk assessments are in place where the use of non-safety sharps cannot be avoided.

Slips, trips and falls

Work to reduce the likelihood of slips trips and falls includes environmental checks during health and safety audit visits and site walk arounds. There is also the critical input of health & safety professionals at design and build projects. Suitable footwear requirements are incorporated into policy, internal alerts and staff bulletins.

Floor cleaning control measures include 50:50 cleaning to maintain dry walkways and use of microfibre cloths (not overly wetting floors). Spills management is embedded following previous "see it, sort it, report it" safety campaigns.

VIOLENCE AND AGGRESSION INCIDENTS BY REPORTED FINANCIAL YEAR



Of the 436 violence and aggression (V&A) incidents reported it can be noted that:

- 237 non-physical assaults (e.g. verbal abuse)
- 199 physical assaults

Based on outcomes, of the V&A incidents reported, 319 incidents have severity ratings of NONE and 117 have severity ratings of MINOR.

The British Social Attitudes (BSA) survey noted statistically significant drops in public and patient satisfaction with NHS care between 2019 and 2020 (The 2021 BSA results are yet to be published).

This may impact on levels of violence and aggression towards staff which is a concern.

Challenges faced include patient ability to access care and services impacted upon by COVID-19 (cancellations, longer waiting lists and referral delays) which can result in frustrations and anger being directed towards staff.

Anti-vax activity has resulted in the necessity to invest in security cover for fixed and "pop up" vaccination centres to keep staff, volunteers and patients safe.

Violence, Prevention and Reduction

Following the introduction of NHS E/I Violence, Prevention and Reduction Standards, the Chief People Officer was registered as the accountable director for violence prevention.

A work plan will continue to be developed during 2022/23 against the standards (monitored by commissioning bodies). Some evidence of the organisations ability to meet standards will be drawn from the NHS Staff Survey.

NHS Staff Survey

The National staff survey helps to inform improvements in staff experience and wellbeing. The results for 2021 (first published 30 March 2022) provide a snapshot of how staff are experiencing their time at work. Health & Safety related results are presented in table 1.

The table below presents information concerning People Promise element 4 "We are safe and healthy" and includes some data on negative experiences concerning staff experiencing musculoskeletal (MSK) injury and physical violence in the workplace. Benchmarking averages are made in comparison with similar Acute and Community Trusts.

Mental health and wellbeing

Two years since the first national lock down of March 2020, staff are at risk of COVID-19 fatigue and burnout. Themes from health and safety audits include concerns over stress levels in the workforce with staff citing contributory factors within and outside of the workplace.

Staff capacity, workloads, expectations and moral distress are some of the challenges faced by the NHS which have been compounded by the effects of COVID-19.

From the 2021 NHS staff survey, it can be noted that NDHT responses to questions concerning burn out were better than the national average.

Table 1 – NHS Staff Survey – safety climate

Promise Element 4: we are safe and healthy	NDHT	National Average	National Worst	National Best
Health and Safety Climate	5.5	5.2	4.7	6.0
Negative experiences (overall)	7.9	7.7	7.3	8.1
Highlighted sub question responses				
MSK injury in past 12 months	28.6%	30.9%	38.4%	22%
Physical violence experienced by staff in past 12 months (by patients / public)	12.6%	14%	20.6%	6.3%
Harassment, bullying & abuse experienced by staff in past 12 months (by patients / public)	26%	27.3%	35.3%	20.8%

NHS Staff Survey 2021 – burnout

Promise Element 4: we are safe and healthy	NDHT	National Average	National Worst	National Best
Burnout	5.1	4.8	4.4	5.3

Work will be undertaken during 2022/23 concerning de-brief support for staff following incidents using toolkits based on Trauma Risk Management (TRiM) and REACT training models.

The NHS People Pulse Survey first launched in July 2021 complements the NHS annual staff survey and feeds into ongoing work to ensure the Trust listens to what staff are saying and identify where changes are needed.

The People Pulse survey results published July 2021 and January 2022, both record 92% of staff respondents stating "yes" or "yes to some extent" that the Trust takes "positive action on health and wellbeing".

For further information regarding psychological support provided to staff see the staff health and wellbeing update contained elsewhere within the annual report.

RIDDOR regulations

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), certain categories of incident are reported to the Health and Safety Executive (HSE). There were a total of 24 incidents reported under RIDDOR during financial year 2020/21.

RIDDOR's submitted to the HSE by reported financial year

Financial year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
RIDDORs	31	31	22	27	17	24
RIDDORs per 1000 staff	9.4	9.4	6.7	8.1	5.1	7.3

RIDDOR's submitted to the HSE during financial year 2021/22

RIDDOR reports submitted to HSE during 2021/22	Patient suffering specified injury	Patient death	Bone fracture excluding finger, thumb or toe	Off work for more than 7 days	Light duties for more than 7 days	Member of public taken directly to hospital	Dangerous occurrence	Total
Contact / injury with needle / sharps (contaminated)	0	0	0	0	0	0	1	**1**
Moving and handling (involving a patient)	0	0	0	7	0	0	0	**7**
Work related upper limb disorder syndrome	0	0	0	1	0	0	0	**1**
Slips, trips and falls	5	1	4	1	1	1	0	**13**
Collision / contact with an object	0	0	0	1	0	0	0	**1**
Lifting, handling, carrying (not involving a patient)	0	0	0	1	0	0	0	**1**
Total	**5**	**1**	**4**	**11**	**1**	**1**	**1**	**24**

Regulatory Bodies

CQC inspection

The Care Quality Commission (CQC) conducted an inspection visit during July 2021 to review medical care. The CQC have sought assurances that substances hazardous to health and medical gas cylinders are securely stored. An action plan has agreed in association with the divisional director of nursing (medicine), Pharmacy Department and the medical gas supplier (BOC) to address the concerns raised.

Fire Safety

Procedures for the completion of fire risk assessments have changed. In previous years, each manager of a ward, service or department conducted a fire risk assessment for their area. Assessments being completed using a template document with prompts, raising similar questions for all areas, resulting in either the risks within the location not being fully captured within the questions on the template, or a varying degree of detail being provided in each assessment.

During 2021/22 a fire safety contractor was employed to conduct the fire risk assessments for all wards, service or department within the Trust, to provide a foundation of Fire Risk Assessments.

The long term proposal is for the Trust fire advisor to produce all fire risk assessments, in conjunction with the relevant manager, to ensure that all of the risks and hazards have been fully identified.

The in-house provision is the preferred long term option, due to the level of detail that will be offered in the assessment and the costs associated with employing consultants.

Training

A new learning management system (Learn+) has gone live with a project team working on the alignment of all learning content (NDHT & RD&E) starting with a review of statutory and mandatory training to ensure consistency in content, delivery and outcomes.

A new induction programme will go live in the new financial year and includes checks to give assurances that managers have covered health and safety matters as part of the induction process.

The Back Care Team delivered training (induction, student nurse training and facilitators courses for risk assessors/key trainers) at offsite venues such as Petroc and the Leg Ulcer Clinic, Bideford during 2021/22.

Face to face moving and handling training for the existing workforce was reinstated during August 2021 and continues to be delivered at the Old Station Barnstaple which was secured as a venue to deliver training as part of recovery and re-design work.

All staff receive conflict resolution training (national eLearning package). Further work is required to reinstate breakaway and safe holding training to front line clinical staff. Training options for delivery include recruitment of accredited trainers, outsourcing and access to existing trainers based at the RD&E.

The requirement to fit test all staff (checks to ensure FFP3 face masks fit correctly) has been problematic due to supply chain disruptions, mask variations and the capacity of fit testers to complete the fit testing balanced against other work commitments. The task and finish group implemented to address these issues are arranging for two existing fit testers employed by the RD&E and based in Exeter to attend NDHT post-merger on a rotational basis four days per month. This is not sustainable in the long term as fit testing, without additional resources, will start to suffer at RD&E.

ACCOUNTS

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.

The Chief Executive of Royal Devon University Hospital NHS FT, as successor Trust, has assumed the above responsibilities.

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.

Signed ....

Chief Executive Officer

Date 8 June 2022

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

Signed ....
Chief Executive Officer

Date 8 June 2022

Signed ....
Chief Financial Officer

Date 8 June 2022

Northern Devon Healthcare NHS Trust

Annual accounts for the year ended 31 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ROYAL DEVON UNIVERSITY HEALTHCARE NHS FOUNDATION TRUST IN RESPECT OF NORTHERN DEVON HEALTHCARE NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Northern Devon Healthcare NHS Trust ("the Trust") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2022 and of income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2021/22.

Basis for opinion

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

Emphasis of matter – going concern

We draw attention to the disclosure made in note 1.2 to the financial statements which explains that on 1 April 2022 Northern Devon Healthcare NHS Trust and The Royal Devon & Exeter NHS Foundation Trust merged their operations into a single Trust, Royal Devon University Healthcare NHS Foundation Trust (the successor Trust). Under the continuation of service principle the financial statements of Northern Devon Healthcare NHS Trust have been prepared on a going concern basis because its services will continue to be provided by the successor Trust. Our opinion is not modified in respect of this matter.

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management, the Audit Committee and internal audit as to the Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Trust's accounting policies.

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

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk that Trust management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the non-complex recognition due to the nature of the revenue, which limits the opportunities to fraudulently misstate revenue.

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

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by unexpected account pairings, high risk users, and material post-closing entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Inspecting transactions in the period prior to 31 March 2022 to verify expenditure had been recognised in the correct accounting period.
- Evaluating a sample of accruals posted as at 31 March 2022 and verifying accruals are appropriate and accurately recorded.

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

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

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

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

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

The Trust is subject to laws and regulations that directly affect the financial statements including the National Health Service Act 2006 and financial reporting legislation. Under paragraph 2(1) of Schedule 5 to the National Health Service Act 2006 the Trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to revenue account (the breakeven duty). In reporting on compliance with the breakeven duty the Trust is required to comply with the Department of Health and Social Care's 'Guidance on Breakeven Duty and Provisions'. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We are also required to make a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 if 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.

As outlined in the section of this report dealing with other legal and regulatory matters, we made a Section 30 referral to the Secretary of State on 12 May 2022 in respect of the Trust's failure to comply with its break-even duty.

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

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

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

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

Other information in the Annual Report

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.
- in our opinion those reports have been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2021/22.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2021/22. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021/22.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 101, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 100 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State. These responsibilities have been exercised by the Chief Executive of the successor Trust.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

As explained in the statement set out on page 100, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended, 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.

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

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

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if we refer a matter to the Secretary of State under section 30 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.

As outlined in the section of this report dealing with non-compliance with laws and regulations, we made a Section 30 referral to the Secretary of State on 12 May 2022 in relation to the Trust's failure to comply with its break-even duty under paragraph 2(1) of Schedule 5 to the National Health Service Act 2006.

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Northern Devon Healthcare NHS Trust for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Jonathan Brown

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

20 June 2022

Statement of Comprehensive Income

	Note	2021/22	2020/21
		£000	**£000**
Operating income from patient care activities	3	248,512	224,780
Other operating income	4	18,585	33,362
Operating expenses	6, 8	(266,161)	(257,545)
Operating surplus from continuing operations		**936**	**597**
Finance income	11	10	3
Finance expenses	12	(1)	(7)
PDC dividends payable		(2,804)	(1,626)
Net finance costs		**(2,795)**	**(1,630)**
Other gains / (losses)	13	(50)	16
Surplus / (deficit) for the year		**(1,909)**	**(1,017)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	0	(79)
Revaluations	17	90	32
Other reserve movements		0	0
Total comprehensive income / (expense) for the period		**(1,819)**	**(1,064)**

Statement of Financial Position

	Note	31 March 2022 £000	31 March 2021 £000
Non-current assets			
Intangible assets	14	20,245	16,617
Property, plant and equipment	15	94,902	82,920
Receivables	23	771	774
Total non-current assets		**115,918**	**100,311**
Current assets			
Inventories	22	3,044	3,275
Receivables	23	9,548	5,864
Cash and cash equivalents	26	20,345	19,069
Total current assets		**32,937**	**28,208**
Current liabilities			
Trade and other payables	27	(32,196)	(26,381)
Provisions	32	(9)	(26)
Other liabilities	28	(3,566)	(1,603)
Total current liabilities		**(35,771)**	**(28,010)**
Total assets less current liabilities		**113,084**	**100,509**
Non-current liabilities			
Provisions	32	(51)	(56)
Total non-current liabilities		**(51)**	**(56)**
Total assets employed		**113,033**	**100,453**
Financed by			
Public dividend capital		111,833	97,434
Revaluation reserve		9,557	9,569
Income and expenditure reserve		(8,357)	(6,550)
Total taxpayers' equity		**113,033**	**100,453**

The notes on pages 12 to 56 form part of these accounts.

Signed	
Name	Suzanne Tracey
Position	Chief Executive
Date	8 June 2022

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**97,434**	**9,569**	**(6,550)**	**100,453**
Surplus/(deficit) for the year	0	0	(1,909)	**(1,909)**
Other transfers between reserves	0	(102)	102	**0**
Impairments	0	0	0	**0**
Revaluations	0	90	0	**90**
Transfer to retained earnings on disposal of assets	0	0	0	**0**
Public dividend capital received	14,399	0	0	**14,399**
Public dividend capital repaid	0	0	0	**0**
Other reserve movements	0	0	0	**0**
Taxpayers' and others' equity at 31 March 2022	**111,833**	**9,557**	**(8,357)**	**113,033**

Public Dividend received relates to the capital programme.

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**58,467**	**9,635**	**(5,552)**	**62,550**
Prior period adjustment	0	0	0	**0**
Taxpayers' and others' equity at 1 April 2020 - restated	**58,467**	**9,635**	**(5,552)**	**62,550**
Surplus/(deficit) for the year	0	0	(1,017)	**(1,017)**
Impairments	0	(79)	0	**(79)**
Revaluations	0	32	0	**32**
Transfer to retained earnings on disposal of assets	0	(19)	19	**0**
Public dividend capital received	39,897	0	0	**39,897**
Public dividend capital repaid	(930)	0	0	**(930)**
Taxpayers' and others' equity at 31 March 2021	**97,434**	**9,569**	**(6,550)**	**100,453**

Public Dividend received includes £20.003m in relation to refinancing of the revenue loan, and £19.894m in respect of the capital programme. The repayment of £0.93m relates to an element of the capital programme paid twice by the Department of Health in error.

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.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Other reserves
The Trust has no other reserves.

Merger reserve
This legacy reserve reflects balances formed on previous mergers of NHS bodies.

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

Statement of Cash Flows

	Note	2021/22 £000	2020/21 £000
Cash flows from operating activities			
Operating surplus		936	597
Non-cash income and expense:			
Depreciation and amortisation	6.1	6,640	5,550
Net impairments	7	0	1,522
Income recognised in respect of capital donations	4	(96)	(452)
(Increase) / decrease in receivables and other assets		(3,705)	9,980
(Increase) / decrease in inventories		231	(106)
Increase / (decrease) in payables and other liabilities		3,660	4,961
Increase / (decrease) in provisions		(22)	(2)
Net cash flows from / (used in) operating activities		**7,644**	**22,050**
Cash flows from investing activities			
Interest received		10	3
Purchase of intangible assets		(4,719)	(10,034)
Purchase of PPE and investment property		(13,342)	(13,733)
Sales of PPE and investment property		110	19
Receipt of cash donations to purchase assets		40	95
Net cash flows from / (used in) investing activities		**(17,901)**	**(23,650)**
Cash flows from financing activities			
Public dividend capital received		14,399	39,897
Public dividend capital repaid		0	(930)
Movement on loans from DHSC		0	(20,003)
Movement on other loans		0	(607)
Interest on loans		0	(80)
Other interest		(1)	(7)
PDC dividend (paid) / refunded		(2,865)	(1,550)
Net cash flows from / (used in) financing activities		**11,533**	**16,720**
Increase / (decrease) in cash and cash equivalents		**1,276**	**15,120**
Cash and cash equivalents at 1 April - brought forward		**19,069**	**3,949**
Cash and cash equivalents at 31 March	26.1	**20,345**	**19,069**

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 2021/22 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

“On 1 April 2022 Northern Devon Healthcare NHS Trust and The Royal Devon & Exeter NHS Foundation Trust merged their operations into a single Trust, Royal Devon University Healthcare NHS Foundation Trust . Under the continuation of service principle Northern Devon Healthcare NHS Trust is a going concern and the financial statements of the Trust have been prepared on a going concern basis because its services will continue to be provided by the successor Trust.

Associates

The Trust does not have any Associate arrangements.

Joint ventures

The Trust does not have any joint ventures.

Joint operations

The Trust does not have any joint operations arrangements.

Note 1.3 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Sustainability and Transformation Partnership level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. 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 also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

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 1.4 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 grants 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.

Note 1.5 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 employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

Note 1.6 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 1.7 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are ‘machinery of government changes’ and treated as continuing operations.

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 meeting the 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.

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 has 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.
This includes assets donated to the trust by the Department of Health and Social Care or NHS England 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) and Local Improvement Finance Trust (LIFT) transactions
The Trust does not have any PFI or LIFT transactions for the current financial year.

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 are shown in the table below:

	Min life	Max life
	Years	Years
Land	0	99
Buildings, excluding dwellings	2	75
Dwellings	5	38
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

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 where 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 are shown in the table below:

	Min life	Max life
	Years	Years
Software licences	5	5
Licences & trademarks	5	5

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

In 2020/21 and 2021/22, 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 Investment properties
The Trust has no investment properties.

Note 1.12 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 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

Derecognition

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

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

Note 1.14 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 a lessee

Finance leases
The Trust does not have any finance leases.

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 a lessor

Finance leases
The Trust does not act as a lessor.

Operating leases
The Trust does not act as a lessor.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of 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 from 31 March 2022:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	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 from 31 March 2022:

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

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 32.2 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 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 34, 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 1.17 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 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 1.18 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 1.19 Corporation tax
The Trust is not a separate legal entity and therefore not liable for corporation tax.

Note 1.20 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 1.21 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 1.22 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 1.23 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 1.24 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.

The Trust has no gifts to report in its accounts.

Note 1.25 Transfers of functions [to / from] [other NHS bodies / local government bodies]

For functions that have been transferred to the trust from another NHS/Local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer.

There have been no assets or liabilities transferred to or from the Trust during the financial year.

Note 1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

Note 1.27 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 without restatement and 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 defined by HM Treasury. For 2022, this rate is 0.95%. 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 trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	5,283
Additional lease obligations recognised for existing operating leases	- 5,283
Changes to other statement of financial position line items	0
Net impact on net assets on 1 April 2022	**-**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(1,084)
Additional finance costs on lease liabilities	(47)
Lease rentals no longer charged to operating expenditure	787
Other impact on income / expenditure	0
Estimated impact on surplus / deficit in 2022/23	**(344)**
Estimated increase in capital additions for new leases commencing in 2022/23	**0**

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. The PFI liability will be remeasured when a change in the index causes a change in future repayments 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 1.28 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 accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Note 1.29 Sources of estimation uncertainty

Due to the materiality level of estimates for accruals as the major source of estimation uncertainty the Trust does not consider it carries significant risk in its valuation that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 2 Operating Segments

The Trust has considered the requirements in IFRS8 for segmental analysis.

Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these as, in accordance with IFRS Operating Segments they are similar in each of the following aspects:

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

The Trust therefore has just one segment, "Healthcare".

	Healthcare		**Total**	
	2021/22	**2020/21**	**2021/22**	**2020/21**
	£'000	**£'000**	**£'000**	**£'000**
Income	**267,097**	**258,142**	**267,097**	**258,142**
Expenditure				
Common costs	(266,161)	(257,545)	(266,161)	(257,545)
Operating Surplus/(Deficit)	**936**	**597**	**936**	**597**
Net Assets:	0	0	0	0
Segment net assets	**113,033**	**100,453**	**113,033**	**100,453**

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)	**2021/22**	**2020/21**
	£000	**£000**
Acute services		
Block contract / system envelope income	170,079	146,772
High cost drugs income from commissioners (excluding pass-through costs)	21,774	17,725
Other NHS clinical income	910	208
Community services		
Block contract / system envelope income	30,680	29,789
Income from other sources (e.g. local authorities)	12,074	20,979
All services		
Private patient income	655	354
Elective recovery fund	5,365	0
Additional pension contribution central funding*	6,380	6,083
Other clinical income	595	2,870
Total income from activities	**248,512**	**224,780**

*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 3.2 Income from patient care activities (by source)

	2021/22	**2020/21**
Income from patient care activities received from:	**£000**	**£000**
NHS England	32,556	28,980
Clinical commissioning groups	202,282	173,639
Department of Health and Social Care	20	20
Other NHS providers	712	593
NHS other	0	0
Local authorities	12,074	20,979
Non-NHS: private patients	655	354
Non-NHS: overseas patients (chargeable to patient)	15	20
Injury cost recovery scheme	180	179
Non NHS: other	18	16
Total income from activities	**248,512**	**224,780**
Of which:		
Related to continuing operations	248,512	224,780
Related to discontinued operations	0	0

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2021/22	2020/21
	£000	£000
Income recognised this year	15	20
Cash payments received in-year	5	7
Amounts added to provision for impairment of receivables	0	0
Amounts written off in-year	11	15

Note 4 Other operating income

	2021/22			2020/21		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	490	0	**490**	452	0	**452**
Education and training	5,547	0	**5,547**	3,648	0	**3,648**
Non-patient care services to other bodies	2,779	0	**2,779**	2,783	0	**2,783**
Reimbursement and top up funding	3,334	0	**3,334**	18,713	0	**18,713**
Income in respect of employee benefits accounted on a gross basis	4,224	0	**4,224**	3,071	0	**3,071**
Receipt of capital grants and donations	0	96	**96**	0	452	**452**
Charitable and other contributions to expenditure	0	958	**958**	0	2,831	**2,831**
Support from the Department of Health and Social Care for mergers	0	0	**0**	0	0	**0**
Rental revenue from finance leases	0	0	**0**	0	0	**0**
Rental revenue from operating leases	0	0	**0**	0	0	**0**
Amortisation of PFI deferred income / credits	0	0	**0**	0	0	**0**
Other income	1,157	0	**1,157**	1,412	0	**1,412**
Total other operating income	**17,531**	**1,054**	**18,585**	**30,079**	**3,283**	**33,362**
Of which:						
Related to continuing operations			18,585			33,362
Related to discontinued operations			0			0

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2021/22	2020/21
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	0	0
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2022	31 March 2021
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000
within one year	0	0
after one year, not later than five years	0	0
after five years	0	0
Total revenue allocated to remaining performance obligations	**0**	**0**

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Fees and charges

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.

	2021/22	2020/21
	£000	£000
Income	0	0
Full cost	0	0
Surplus / (deficit)	**0**	**0**

Note 6.2 Other auditor remuneration

	2021/22	2020/21
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	5	5
2. Audit-related assurance services	15	12
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	0
Total	**20**	**17**

The fees are inclusive of VAT.

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2020/21: £1 million).

Note 7 Impairment of assets

	2021/22	2020/21
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	0	0
Over specification of assets	0	0
Abandonment of assets in course of construction	0	0
Unforeseen obsolescence	0	0
Loss as a result of catastrophe	0	0
Changes in market price	0	1,522
Other	0	0
Total net impairments charged to operating surplus / deficit	**0**	**1,522**
Impairments charged to the revaluation reserve	0	79
Total net impairments	**0**	**1,601**

Impairments relate to the change in valuation of the Trust's buildings as valued by the District Valuer and detailed in note 18.

Note 6.1 Operating expenses

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,269	3,308
Purchase of healthcare from non-NHS and non-DHSC bodies	2,539	1,518
Purchase of social care	3,342	14,143
Staff and executive directors costs	168,297	159,856
Remuneration of non-executive directors	121	90
Supplies and services - clinical (excluding drugs costs)	18,527	17,755
Supplies and services - general	10,356	9,057
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,816	18,340
Inventories written down	0	138
Establishment	5,638	6,189
Premises	6,789	6,068
Transport (including patient travel)	1,019	994
Depreciation on property, plant and equipment	4,884	4,222
Amortisation on intangible assets	1,756	1,328
Net impairments	0	1,522
Movement in credit loss allowance: contract receivables / contract assets	16	(6)
Increase/(decrease) in other provisions	0	6
Fees payable to the external auditor		
audit services- statutory audit	70	70
other auditor remuneration (external auditor only)	20	17
Internal audit costs	178	182
Clinical negligence	9,126	8,332
Legal fees	263	287
Insurance	203	180
Research and development	519	513
Education and training	2,555	1,815
Rentals under operating leases	845	397
Car parking & security	25	23
Hospitality	12	11
Other services, eg external payroll	887	617
Other	1,089	573
Total	**266,161**	**257,545**
Of which:		
Related to continuing operations	266,161	257,545
Related to discontinued operations	0	0

Note 8 Employee benefits

	2021/22	2020/21
	Total	Total
	£000	£000
Salaries and wages	121,831	114,912
Social security costs	12,116	11,160
Apprenticeship levy	565	566
Employer's contributions to NHS pensions	20,942	19,951
Pension cost - other	0	0
Other post employment benefits	0	0
Other employment benefits	0	0
Termination benefits	0	0
Temporary staff (including agency)	19,162	15,286
Total gross staff costs	**174,616**	**161,875**
Recoveries in respect of seconded staff	-	-
Total staff costs	**174,616**	**161,875**
Of which		
Costs capitalised as part of assets	4,391	324

The increase in Captial Staff Costs is due to the MYCARE and OFH projects.

Exit packages for staff leaving during the year ending March 2022

1 staff left the Trust during the year ending 31 March 2022 (2021:11 staff), they received exit packages totalling £2k (2021:£139k)

Note 8.1 Retirements due to ill-health

During 2021/22 there were 3 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £280k (£105k in 2020/21).

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 2021, updated to 31 March 2022 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.

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

Note 10 Operating leases

Note 10.1 Northern Devon Healthcare NHS Trust as a lessor

The Trust has no lessor agreements.

Note 10.2 Northern Devon Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Northern Devon Healthcare NHS Trust is the lessee.

	2021/22	2020/21
	£000	£000
Operating lease expense		
Minimum lease payments	845	397
Contingent rents	0	0
Less sublease payments received	0	0
Total	**845**	**397**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease payments due:		
- not later than one year;	908	352
- later than one year and not later than five years;	2,469	146
- later than five years.	948	0
Total	**4,325**	**498**
Future minimum sublease payments to be received	0	0

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2021/22	2020/21
	£000	£000
Interest on bank accounts	10	3
Total finance income	**10**	**3**

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2021/22	2020/21
	£000	£000
Interest expense:		
Interest on late payment of commercial debt	1	7
Total interest expense	**1**	**7**
Total finance costs	**1**	**7**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2021/22	2020/21
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	7

Note 13 Other gains / (losses)

	2021/22	2020/21
	£000	£000
Gains on disposal of assets	20	16
Losses on disposal of assets	(70)	0
Total gains / (losses) on disposal of assets	**(50)**	**16**

Note 14 Intangible assets - 2021/22

	Software licences £000	Licences & trademarks £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2021 - brought forward	**11,331**	**813**	**0**	**0**	**0**	**10,098**	**0**	**22,242**
Transfers by absorption	0	0	0	0	0	0	0	**0**
Additions	470	14	0	0	0	4,900	0	**5,384**
Impairments	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	**0**
Reclassifications	152	0	0	0	0	(152)	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	(14)	(3)	0	0	0	-	0	**(17)**
Valuation / gross cost at 31 March 2022	**11,939**	**824**	**0**	**0**	**0**	**14,846**	**0**	**27,609**
Amortisation at 1 April 2021 - brought forward	**4,945**	**621**	**0**	**0**	**0**	**59**	**0**	**5,625**
Transfers by absorption	0	0	0	0	0	0	0	**0**
Provided during the year	1,684	72	0	0	0	0	0	**1,756**
Impairments	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	(14)	(3)	0	0	0	0	0	**(17)**
Amortisation at 31 March 2022	**6,615**	**690**	**0**	**0**	**0**	**59**	**0**	**7,364**
Net book value at 31 March 2022	**5,324**	**134**	**0**	**0**	**0**	**14,787**	**0**	**20,245**
Net book value at 1 April 2021	**6,386**	**192**	**0**	**0**	**0**	**10,039**	**0**	**16,617**

Note 14.1 Intangible assets - 2020/21

	Software licences	Licences & trademarks	Development expenditure	Goodwill	Websites	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**10,842**	**973**	**0**	**0**	**0**	**1,347**	**0**	**13,162**
Prior period adjustments	0	0	0	0	0	0	0	**0**
Valuation / gross cost at 1 April 2020 - restated	**10,842**	**973**	**0**	**0**	**0**	**1,347**	**0**	**13,162**
Transfers by absorption	0	0	0	0	0	0	0	**0**
Additions	1,185	98	0	0	0	8,751	0	**10,034**
Impairments	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	(696)	(258)	0	0	0	-	0	**(954)**
Valuation / gross cost at 31 March 2021	**11,331**	**813**	**0**	**0**	**0**	**10,098**	**0**	**22,242**
Amortisation at 1 April 2020 - as previously stated	**4,412**	**780**	**0**	**0**	**0**	**59**	**0**	**5,251**
Prior period adjustments	0	0	0	0	0	-	0	**0**
Amortisation at 1 April 2020 - restated	**4,412**	**780**	**0**	**0**	**0**	**59**	**0**	**5,251**
Transfers by absorption	0	0	0	0	0	0	0	**0**
Provided during the year	1,229	99	0	0	0	0	0	**1,328**
Impairments	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	**0**
Disposals / derecognition	(696)	(258)	0	0	0	0	0	**(954)**
Amortisation at 31 March 2021	**4,945**	**621**	**0**	**0**	**0**	**59**	**0**	**5,625**
Net book value at 31 March 2021	**6,386**	**192**	**0**	**0**	**0**	**10,039**	**0**	**16,617**
Net book value at 1 April 2020	**6,430**	**193**	**0**	**0**	**0**	**1,288**	**0**	**7,911**

Note 15.1 Property, plant and equipment - 2021/22

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**6,630**	**58,553**	**524**	**7,387**	**18,615**	**12**	**2,644**	**872**	**95,237**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Additions	0	3,610	0	10,183	1,766	-	1,349	28	**16,936**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	90	0	0	0	**90**
Reclassifications	0	5,106	0	(7,329)	2,090	0	77	56	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(1,718)	0	(71)	(20)	**(1,809)**
Valuation/gross cost at 31 March 2022	**6,630**	**67,269**	**524**	**10,241**	**20,843**	**12**	**3,999**	**936**	**110,454**
Accumulated depreciation at 1 April 2021 - brought forward	**0**	**0**	**0**	**0**	**10,725**	**12**	**1,201**	**379**	**12,317**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Provided during the year	0	2,484	68	0	1,794	0	451	87	**4,884**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(1,558)	0	(71)	(20)	**(1,649)**
Accumulated depreciation at 31 March 2022	**0**	**2,484**	**68**	**0**	**10,961**	**12**	**1,581**	**446**	**15,552**
Net book value at 31 March 2022	**6,630**	**64,785**	**456**	**10,241**	**9,882**	**0**	**2,418**	**490**	**94,902**
Net book value at 1 April 2021	**6,630**	**58,553**	**524**	**7,387**	**7,890**	**0**	**1,443**	**493**	**82,920**

Note 15.2 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**6,330**	**59,982**	**524**	**1,378**	**17,255**	**12**	**2,910**	**725**	**89,116**
Prior period adjustments	0	0	0	0	0	0	0	0	**0**
Valuation / gross cost at 1 April 2020 - restated	**6,330**	**59,982**	**524**	**1,378**	**17,255**	**12**	**2,910**	**725**	**89,116**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Additions	0	1,427	59	8,849	3,056	0	763	161	**14,315**
Impairments	0	(167)	(15)	0	0	0	0	0	**(182)**
Reversals of impairments	0	103	0	0	0	0	0	0	**103**
Revaluations	0	(4,001)	(44)	0	0	0	0	0	**(4,045)**
Reclassifications	300	1,209	0	(2,840)	1,331	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(3,027)	0	(1,029)	(14)	**(4,070)**
Valuation/gross cost at 31 March 2021	**6,630**	**58,553**	**524**	**7,387**	**18,615**	**12**	**2,644**	**872**	**95,237**
Accumulated depreciation at 1 April 2020 - as previously stated	**0**	**0**	**0**	**0**	**12,565**	**12**	**1,830**	**313**	**14,720**
Prior period adjustments	0	0	0	0	0	0	0	0	**0**
Accumulated depreciation at 1 April 2020 - restated	**0**	**0**	**0**	**0**	**12,565**	**12**	**1,830**	**313**	**14,720**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Provided during the year	0	2,485	70	0	1,187	0	400	80	**4,222**
Impairments	0	1,535	6	0	0	0	0	0	**1,541**
Reversals of impairments	0	(19)	0	0	0	0	0	0	**(19)**
Revaluations	0	(4,001)	(76)	0	0	0	0	0	**(4,077)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(3,027)	0	(1,029)	(14)	**(4,070)**
Accumulated depreciation at 31 March 2021	**0**	**0**	**0**	**0**	**10,725**	**12**	**1,201**	**379**	**12,317**
Net book value at 31 March 2021	**6,630**	**58,553**	**524**	**7,387**	**7,890**	**0**	**1,443**	**493**	**82,920**
Net book value at 1 April 2020	**6,330**	**59,982**	**524**	**1,378**	**4,690**	**0**	**1,080**	**412**	**74,396**

Note 15.3 Property, plant and equipment financing - 2021/22

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022									
Owned - purchased	6,630	61,259	456	10,241	9,112	0	2,418	433	**90,549**
Finance leased	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts and other service concession arrangements	0	0	0	0	0	0	0	0	**0**
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	**0**
Owned - donated/granted	0	3,526	0	0	770	0	0	57	**4,353**
NBV total at 31 March 2022	**6,630**	**64,785**	**456**	**10,241**	**9,882**	**0**	**2,418**	**490**	**94,902**

Note 15.4 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	6,630	54,884	524	7,387	7,325	0	1,443	422	**78,615**
Finance leased	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts and other service concession arrangements	0	0	0	0	0	0	0	0	**0**
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	**0**
Owned - donated/granted	0	3,669	0	0	565	0	0	71	**4,305**
NBV total at 31 March 2021	**6,630**	**58,553**	**524**	**7,387**	**7,890**	**0**	**1,443**	**493**	**82,920**

Note 16 Donations of property, plant and equipment

£96k has been received in year of which which includes £80k of equipment donated by the Department of Health in support of the COVID-19 pandemic.

Note 17 Revaluations of property, plant and equipment

No valuation of the Trust's land, buildings and dwellings was required as at the 31 March 2022. The desktop valuation was undertaken at 31 March 2021, and this valuation is still considered to be appropriate, based upon the movement in the BCIS indices, and after reviewing for any impairment. The Trust's specialised buildings and associated land were valued using the depreciated replacement cost method, based upon providing a modern equivalent asset (MEA). A fundamental principle of MEA valuations is that a hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for the existing operations. The valuation of the Trust's specialised land and buildings was therefore based upon the Trust hypothetically being located on a suitable alternative site away from the city centre, where the cost of the land would be significantly lower, but where the Trust would still be able to re-provide its services.

Note 18 Investment Property

The Trust has no investment property.

Note 19 Investments in associates and joint ventures

The Trust has no investments in associates and joint ventures.

Note 20 Other investments / financial assets (non-current)

The Trust has no other investments / financial assets (non-current).

Note 21 Disclosure of interests in other entities

The Trust has no interests in other entities.

Note 22 Inventories

	2022	**2021**
	£000	**£000**
Drugs	1,391	967
Work In progress	0	0
Consumables	1,622	2,283
Energy	31	25
Other	0	0
Total inventories	**3,044**	**3,275**
of which:		
Held at fair value less costs to sell	0	0

Inventories recognised in expenses for the year were £40,951k (2020/21: £34,736k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £138k).

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 2021/22 the Trust received £626k of items purchased by DHSC (2020/21: £2,736k).

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 23.1 Receivables

	31 March 2022	31 March 2021
	£000	£000
Current		
Contract receivables	5,412	3,014
Capital receivables	0	24
Allowance for impaired contract receivables / assets	(29)	(29)
Prepayments (non-PFI)	2,778	1,872
VAT receivable	1,324	844
Other receivables	63	139
Total current receivables	**9,548**	**5,864**
Non-current		
Contract receivables	1,011	998
Allowance for impaired contract receivables / assets	(240)	(224)
Total non-current receivables	**771**	**774**
Of which receivable from NHS and DHSC group bodies:		
Current	4,509	1,178
Non-current	0	0

Note 23.2 Allowances for credit losses

	2021/22		2020/21	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**253**	**0**	**259**	**0**
Prior period adjustments	0	0	0	0
Allowances as at 1 April - restated	**253**	**0**	**259**	**0**
Transfers by absorption	0	0	0	0
New allowances arising	67	0	68	0
Changes in existing allowances	(15)	0	(20)	0
Reversals of allowances	(36)	0	(54)	0
Utilisation of allowances (write offs)	0	0	0	0
Changes arising following modification of contractual cash flows	0	0	0	0
Foreign exchange and other changes	0	0	0	0
Allowances as at 31 Mar 2022	**269**	**0**	**253**	**0**

Note 23.3 Exposure to credit risk

The Trust does not consider it has a material exposure to credit risk.

Note 24 Other assets

The Trust does not have any other assets to disclose.

Note 25.1 Non-current assets held for sale and assets in disposal groups

The Trust does not have any assets held for sale.

Note 25.2 Liabilities in disposal groups

The Trust does not have any liabilities in disposal groups.

Note 26.1 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.

	2021/22	2020/21
	£000	£000
At 1 April	**19,069**	**3,949**
Prior period adjustments		0
At 1 April (restated)	**19,069**	**3,949**
Transfers by absorption	0	0
Net change in year	1,276	15,120
At 31 March	**20,345**	**19,069**
Broken down into:		
Cash at commercial banks and in hand	9	9
Cash with the Government Banking Service	20,336	19,060
Deposits with the National Loan Fund	0	0
Other current investments	0	0
Total cash and cash equivalents as in SoFP	**20,345**	**19,069**
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
Total cash and cash equivalents as in SoCF	**20,345**	**19,069**

Note 26.2 Third party assets held by the trust

Northern Devon Healthcare NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2022	31 March 2021
	£000	£000
Bank balances	0	0
Monies on deposit	0	0
Total third party assets	**0**	**0**

Note 27.1 Trade and other payables

	31 March 2022	31 March 2021
	£000	£000
Current		
Trade payables	13,690	14,638
Capital payables	5,700	1,521
Accruals	9,169	6,454
Social security costs	3,355	2,889
PDC dividend payable	58	119
Other payables	224	760
Total current trade and other payables	**32,196**	**26,381**
Non-current		
Trade payables	0	0
Capital payables	0	0
Accruals	0	0
Receipts in advance and payments on account	0	0
PFI lifecycle replacement received in advance	0	0
VAT payables	0	0
Other taxes payable	0	0
Other payables	0	0
Total non-current trade and other payables	**0**	**0**
Of which payables from NHS and DHSC group bodies:		
Current	487	5,275
Non-current	0	0

Note 27.2 Early retirements in NHS payables above

Payables do not include any amounts relating to early retirements.

Note 28 Other liabilities

	31 March 2022	31 March 2021
	£000	£000
Current		
Deferred income: contract liabilities	0	0
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	3,566	1,603
Total other current liabilities	**3,566**	**1,603**
Non-current		
Deferred income: contract liabilities	0	0
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	0	0
Net pension scheme liability	0	0
Total other non-current liabilities	**0**	**0**

Note 29.1 Borrowings

The Trust does not have any borrowings.

Note 29.2 Reconciliation of liabilities arising from financing activities - 2021/22

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**0**	**0**	**0**	**0**	**0**
Cash movements:					
Financing cash flows - payments and receipts of principal	0	0	0	0	**0**
Financing cash flows - payments of interest	0	0	0	0	**0**
Non-cash movements:					
Transfers by absorption	0	0	0	0	**0**
Additions	0	0	0	0	**0**
Application of effective interest rate	0	0	0	0	**0**
Change in effective interest rate	0	0	0	0	**0**
Changes in fair value	0	0	0	0	**0**
Early terminations	0	0	0	0	**0**
Other changes	0	0	0	0	**0**
Carrying value at 31 March 2022	**0**	**0**	**0**	**0**	**0**

Note 29.3 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2020	**20,083**	**607**	**0**	**0**	**20,690**
Prior period adjustment	0	0	0	0	**-**
Carrying value at 1 April 2020 - restated	**20,083**	**607**	**0**	**0**	**20,690**
Cash movements:					
Financing cash flows - payments and receipts of principal	(20,003)	(607)	0	0	**(20,610)**
Financing cash flows - payments of interest	(80)	0	0	0	**(80)**
Non-cash movements:					
Transfers by absorption	0	0	0	0	**0**
Additions	0	0	0	0	**0**
Application of effective interest rate	0	0	0	0	**0**
Change in effective interest rate	0	0	0	0	**0**
Changes in fair value	0	0	0	0	**0**
Early terminations	0	0	0	0	**0**
Other changes	0	0	0	0	**0**
Carrying value at 31 March 2021	**0**	**0**	**0**	**0**	**0**

Note 30 Other financial liabilities

The Trust has no other financial liabilities to report.

Note 31 Finance leases

Note 31.1 Northern Devon Healthcare NHS Trust as a lessor

The Trust has no current lease obligations as a lessor.

Note 31.2 Northern Devon Healthcare NHS Trust as a lessee

The Trust has no current lease obligations as a lessee.

Note 32.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021	**0**	**0**	**82**	**0**	**0**	**0**	**0**	**82**
Transfers by absorption	0	0	0	0	0	0	0	**0**
Change in the discount rate	0	0	0	0	0	0	0	**0**
Arising during the year	0	0	18	0	0	0	0	**18**
Utilised during the year	0	0	(17)	0	0	0	0	**(17)**
Reclassified to liabilities held in disposal groups	0	0	0	0	0	0	0	**0**
Reversed unused	0	0	(23)	0	0	0	0	**(23)**
Unwinding of discount	0	0	0	0	0	0	0	**0**
At 31 March 2022	**0**	**0**	**60**	**0**	**0**	**0**	**0**	**60**
Expected timing of cash flows:								
- not later than one year;	0	0	9	0	0	0	0	**9**
- later than one year and not later than five years;	0	0	51	0	0	0	0	**51**
- later than five years.	0	0	0	0	0	0	0	**0**
Total	**0**	**0**	**60**	**0**	**0**	**0**	**0**	**60**

Provisions relate to Trust liabilities under the NHS Resolution LTPS and PES schemes for potential claims.

Note 32.2 Clinical negligence liabilities

At 31 March 2022, £190,633k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Northern Devon Healthcare NHS Trust (31 March 2021: £133,481k).

Note 33 Contingent assets and liabilities

	31 March 2022	31 March 2021
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(19)	(21)
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	**(19)**	**(21)**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**(19)**	**(21)**
Net value of contingent assets	**0**	**0**

Contingent Liabilities relate to associated provisions for claims under the NHS Resolution LTPS and PES schemes.

Note 34 Contractual capital commitments

	31 March 2022	31 March 2021
	£000	£000
Property, plant and equipment	1,174	2,838
Intangible assets	7,141	16,000
Total	**8,315**	**18,838**

Note 35 Other financial commitments

The Trust has no other financial commitments.

Note 36 Defined benefit pension schemes

There are no specific disclosures to make relating to defined benefit pension schemes in note 9.

Note 36.1 Changes in the defined benefit obligation and fair value of plan assets during the year

There are no changes to report.

Note 36.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

There are no changes to reconcile.

Note 36.3 Amounts recognised in the SoCI

There are no amounts to reconcile in the SOCI.

Note 37 On-SoFP PFI, LIFT or other service concession arrangements

The Trust does not have any PFI schemes, LIFT schemes or other service concession recognised on-SoFP.

Note 38 Financial instruments

Note 38.1 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 NHS Trust has with the CCG and the way those CCG'S are financed, the NHS 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 NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust’s standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

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 can borrow from government for revenue financing, following approval by NHSEI. Interest rates are confirmed by the Department of Health & Social Care (the lender) at the point borrowing is undertaken.

The Trust can borrow from government for capital expenditure, subject to affordability as confirmed by NHSEI. The borrowings are treated as PDC and will have an explicit interest rate fixed at 3.5%.
The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

As the majority of the Trust’s revenue comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust’s operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament . The trust funds its capital expenditure from funds agreed within its Capital Resource Limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 38.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	6,128	0	0	**6,128**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	20,345	0	0	**20,345**
Total at 31 March 2022	**26,473**	**0**	**0**	**26,473**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	3,145	0	0	**3,145**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	19,069	0	0	**19,069**
Total at 31 March 2021	**22,214**	**0**	**0**	**22,214**

Note 38.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	0	0	**0**
Obligations under finance leases	0	0	**0**
Obligations under PFI, LIFT and other service concession contracts	0	0	**0**
Other borrowings	0	0	**0**
Trade and other payables excluding non financial liabilities	25,207	0	**25,207**
Other financial liabilities	0	0	**0**
Provisions under contract	60	0	**60**
Total at 31 March 2022	**25,267**	**0**	**25,267**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	0	0	**0**
Obligations under finance leases	0	0	**0**
Obligations under PFI, LIFT and other service concession contracts	0	0	**0**
Other borrowings	0	0	**0**
Trade and other payables excluding non financial liabilities	20,286	0	**20,286**
Other financial liabilities	0	0	**0**
Provisions under contract	82	0	**82**
Total at 31 March 2021	**20,368**	**0**	**20,368**

Note 38.4 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.

	31 March 2022	31 March 2021
	£000	£000
In one year or less	25,267	20,368
In more than one year but not more than five years	0	0
In more than five years	0	0
Total	**25,267**	**20,368**

Note 38.5 Fair values of financial assets and liabilities

The Trust considers that the book value (carrying value) is a reasonable approximation of fair value.

Note 39 Losses and special payments

	2021/22		2020/21	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	1	0	3	1
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	2	20	86	26
Stores losses and damage to property	0	0	1	6
Total losses	**3**	**20**	**90**	**33**
Special payments				
Compensation under court order or legally binding arbitration award	3	4	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	16	49	12	338
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	**19**	**53**	**12**	**338**
Total losses and special payments	**22**	**73**	**102**	**371**
Compensation payments received		0		0

The Flowers legal case relates to the treatment of overtime payments and in particular payments for voluntary overtime in the calculation of holiday pay and the interpretation of the Working Time Directive. Joint negotiations between NHS employers and NHS trade unions during 2021 agreed that a corrective payment would be made to those staff affected. Guidance was issued asking Trusts to accrue the cost of the nationally agreed corrective payments and associated income based on nationally generated estimates, and accordingly £338k was accrued within the 2021 accounts.

These payments are considered special payments for which HMT approval was sought nationally by NHS England on Trusts' behalf. As the losses and special payments note is prepared on an accruals basis (excluding provisions), these amounts should have been disclosed within this note in the 2020/21 accounts. In line with the guidance set out at section 2.1.6 of the Trust Accounts Consolidation (TAC) schedules: Completion instructions month 12 2021/22 (March 2022), the Trust has the choice to include these within the 2021/22 disclosure or to revise the prior year disclosure. The Trust has therefore restated the prior year comparative to include these payments (£338k)

Details of cases individually over £300k

There were no cases exceeding £300k for the current year and the prior year.

Note 40 Gifts

There were no gifts with either a value exceeding £300,000 individually or in total.

Note 41 Related parties

During the year none of the Department of Health and Social Care Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Northern Devon Healthcare NHS Trust.

The Department of Health is regarded as a related party. During the year Northern Devon Healthcare NHS Trust has had a significant number of material transactions with the Department, and or with other entities for which the Department is regarded as the parent department. For example:

	2021/22		2020/21	
	Income	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000
NHS Devon CCG	193,353	142	165,392	86
NHS England and Local Area Teams	30,130	5	41,362	0
NHS Kernow CCG	8,784	0	8,623	0
NHS Somerset CCG	703	0	633	0
Royal Devon & Exeter NHS Foundation Trust	1,889	7,663	1,619	16,363
Torbay and South Devon NHS Foundation Trust	138	1,610	77	1,785
Devon Partnership Trust	2,692	360	2,756	249
NHS Pensions Agency	0	20,942	0	19,951
Health Education England	6,748	0	5,282	0
NHS Resolution	0	9,328	18	8,510

	2021/22		2020/21	
	Debtor	Creditor	Debtor	Creditor
	£'000	£'000	£'000	£'000
NHS Devon CCG	1,945	0	512	3,508
NHS England and Local Area Teams	1,727	0	142	510
NHS Kernow CCG	1	0	0	0
NHS Somerset CCG	0	0	0	0
Royal Devon & Exeter NHS Foundation Trust	350	203	90	1,153
Torbay and South Devon NHS Foundation Trust	35	8	2	61
Devon Partnership Trust	44	112	220	71
NHS Pensions Agency	0	0	0	0
Health Education England	121	0	110	0
NHS Resolution	88	2	0	369
Devon County Council in respect of Public Health Services and	299	102	0	0
Torbay Council in respect of Public Health Services	8	0	0	0
HMRC in respect of tax and national insurance	0	3,355	0	0
HMRC in respect of VAT payable and recoverable	1,324	0	0	0

In addition the Trust has a number of material transactions

	2021/22		2020/21	
	Income	Expenditure	Income	Expenditure
Most of these have been with:	£'000	£'000	£'000	£'000
Devon County Council in respect of Public Health Services and	11,146	0	19,953	14,143
Torbay Council in respect of Public Health Services	1,304	0	974	3
HMRC in respect of tax and national insurance	0	12,681	0	11,160
NHS Supply Chain	0	4,087	0	4,231
Northern Devon Healthcare NHS Trust Charitable Fund	336	0	232	0

Note 42 Transfers by absorption

There were no transfers by absorption in the year.

Note 43 Prior period adjustments

The Trust has not made any prior period adjustments.

Note 44 Events after the reporting date

On 1 April 2022, Royal Devon & Exeter NHS Foundation Trust acquired the assets, liabilities and operations of Northern Devon Healthcare NHS Trust, forming Royal Devon University Healthcare NHS Foundation Trust through merger by acquisition under section 56A of the NHS Act 2006.

Note 45 Final period of operation as a trust providing NHS healthcare

The Trust is not in a final period of operation as all services transfer under the merger by acquisition as referred to above

Note 46 Better Payment Practice code

Non-NHS Payables	2021/22 Number	2021/22 £000	2020/21 Number	2020/21 £000
Total non-NHS trade invoices paid in the year	55,458	95,412	53,360	94,938
Total non-NHS trade invoices paid within target	53,554	91,128	50,278	90,271
Percentage of non-NHS trade invoices paid within target	96.6%	95.5%	94.2%	95.1%
NHS Payables				
Total NHS trade invoices paid in the year	1,631	98,408	1,749	99,331
Total NHS trade invoices paid within target	1,546	96,369	1,630	96,894
Percentage of NHS trade invoices paid within target	94.8%	97.9%	93.2%	97.5%

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 47 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2021/22 £000	2020/21 £000
Cash flow financing	13,123	3,237
Finance leases taken out in year	0	0
Other capital receipts	0	0
External financing requirement	**13,123**	**3,237**
External financing limit (EFL)	13,123	3,237
Under / (over) spend against EFL	**0**	**0**

Note 48 Capital Resource Limit

	2021/22 £000	2020/21 £000
Gross capital expenditure	22,320	24,349
Less: Disposals	(160)	0
Less: Donated and granted capital additions	(96)	(452)
Plus: Loss on disposal from capital grants in kind	70	0
Charge against Capital Resource Limit	**22,134**	**23,897**
Capital Resource Limit	22,757	24,278
Under / (over) spend against CRL	**623**	**381**

Note 49 Breakeven duty financial performance

	2021/22 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(1,438)
Remove impairments scoring to Departmental Expenditure Limit	0
Add back non-cash element of On-SoFP pension scheme charges	0
IFRIC 12 breakeven adjustment	0
Breakeven duty financial performance surplus / (deficit)	**(1,438)**

Note 50 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		0	252	1,719	2,205	2,240	2,337
Breakeven duty cumulative position	251	251	503	2,222	4,427	6,667	9,004
Operating income		128,509	134,710	211,041	220,680	225,787	234,685
Cumulative breakeven position as a percentage of operating income		0.2%	0.4%	1.1%	2.0%	3.0%	3.8%

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(4,647)	2,232	6,974	(16,633)	36	41	(1,438)
Breakeven duty cumulative position	4,357	6,589	13,563	(3,070)	(3,034)	(2,993)	(4,431)
Operating income	233,235	217,580	210,199	201,225	237,682	258,142	267,097
Cumulative breakeven position as a percentage of operating income	1.9%	3.0%	6.5%	(1.5%)	(1.3%)	(1.2%)	(1.7%)

Following merger with Royal Devon & Exeter NHS Foundation Trust the breakeven duty rolling assessment is not applicable and the new organisation is not bound by the Section 30 Statutory Duties.

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