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Sussex Community
NHS Foundation Trust

Sussex Community NHS Foundation Trust Annual Report and Accounts 2022-23

Excellent care at the heart of the community

Sussex Community NHS Foundation Trust

Annual Report and Accounts

2022-23

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

You can view this report online at: www.sussexcommunity.nhs.uk/annualreport

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Sussex Community NHS Foundation Trust
Brighton General Hospital, Elm Grove
Brighton BN2 3EW
www.sussexcommunity.nhs.uk

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Performance Report

Overview of performance

Welcome to our annual report

We are pleased to share details of what has been a busy and successful year at Sussex Community NHS Foundation Trust (SCFT). The last 12 months have been full of challenges whilst we recovered from the COVID-19 pandemic but also opportunities to celebrate the contribution that we make to our local communities.

Our teams continue to face significant pressure and an ever-increasing demand for our services. The population continues to grow, people are living longer and often with multiple long-term conditions. Nevertheless, the people who make up SCFT continue to rise to meet these challenges and have shown remarkable resilience, compassion and dedication to each other and the people we care for. We have always been incredibly proud of our 5,500 staff members and our dedicated volunteers.

As the largest NHS community provider in Sussex, we provide medical, nursing and therapeutic care to over 9,000 people every day, serving a community of 1.3 million people.

Writing this overview and reflecting on the year that was, there are many outstanding achievements of which we can be proud. Our work during the year provides many fine examples of colleagues and volunteers working together, not just across health and social care, but also education, the voluntary sector, businesses and the community at large, stepping up every day to deliver safe, compassionate and effective care.

Our services have continued to innovate and win awards. Our Freedom to Speak Up team were successful in winning the Health Services Journal Award for Freedom to Speak Up Team of the Year, entry title: ‘Caring for our Speak Up Ambassadors, Improving our Speak Up culture’. In December we were named a 2022 Climate Champion by Health Care Without Harm for our sustainability work through our Care Without Carbon programme. And our community palliative and end of life care nursing services were praised for their focus on patient-centred nursing care, winning the award for nursing in the community at the prestigious Nursing Times Awards.

We have given more than 965,000 doses of the COVID-19 vaccination over the past few years as our role in the vaccination programme came to an end in February.

The Trust’s charity, Sussex Community NHS Charity, awarded over £295,000 in grants to a variety of projects from across the Trust. These included refurbishing staff rest rooms to help improve staff wellbeing, providing additional staff training to help staff develop in their careers, the purchase of advanced software and equipment to further enhance patient care and electric bikes for our community nursing teams.

At the end of the year, the results from the 2022 national staff survey, which took place in the autumn, were announced. The Trust achieved an impressive 71% response rate, representing 3,702 colleagues completing the survey. 81% of staff said the care of patients/service users is the organisation’s top priority and 69% of staff would recommend the Trust as a place to work. The results compare well against the other 15 community trusts in England and with other providers from the Sussex Integrated Care System (ICS) where SCFT scored either first, or second, across each of the seven elements of the NHS People Promise.

While our priority is the delivery of excellent care for all the people we serve, managing our finances well means we can provide outstanding care and invest in what our patients need. The

Trust reported a surplus of £47,000 for the year ended 31 March 2023 and we remain in a strong, stable financial position. Our income grew to £324 million compared with £315 million in the previous year signalling confidence in our ability to deliver safe and effective services.

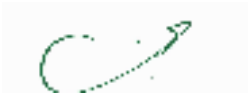
We continue to work closely with all our partners as part of the Sussex ICS to provide the best care possible to patients and their families, and to ensure that SCFT is a great place to work.

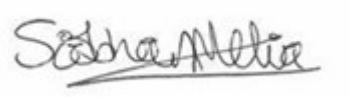
So, in a year that has continued to test us all, it's important to pause and celebrate the achievements of all teams across SCFT.

We are a team of 5,500 people united by a vision and determination to deliver excellent care to our communities across Sussex.

From us a heartfelt thank you to all our colleagues for all you have, and continue to do, for our patients and each other to achieve that vision.

With our very best wishes





Giles York
Chair

Siobhan Melia
Chief Executive

Overview of the Trust

Sussex Community NHS Foundation Trust (SCFT) was authorised as an NHS Foundation Trust on 1 April 2016. It is a large provider of NHS care in peoples' homes and in the community in South East England, covering a population of around 1.3 million.

Before becoming a Foundation Trust the organisation was known as Sussex Community NHS Trust, which was established in October 2010 through the integration of West Sussex Health and South Downs Health NHS Trust.

It provides a wide range of medical, nursing and therapeutic care to over 9,000 people a day. The Trust's expert teams help people to plan, manage and adapt to changes in their health to help keep them in their own homes for longer, prevent avoidable admissions to hospital and minimise any necessary stays in hospitals. In 2022-23 SCFT's income was £324 million, with costs of £325.9 million (based on a control total basis). The Trust reported an adjusted surplus of £47,000.

The Trust was inspected by the Care Quality Commission (CQC) in autumn 2017. The quality of the care the Trust provided was rated as **Good** overall, and **Outstanding** in some areas, in its report published in January 2018.

What the Trust does

From health visitors supporting families with new-born babies, to community practitioners (nurses and therapists) caring for the frail, elderly and people nearing the end of their lives, SCFT looks after some of the most vulnerable people in the community.

The Trust's aim across all services is to give people the certainty that when they need it, wherever they are, the Trust will meet their needs with services of a high quality that are safe, effective and compassionate, and provided with respect.

The Trust provides:

- Community rehabilitation and support for people with complex health needs and long-term conditions and people needing end of life care.
- Community rapid response to assess and care for patients with urgent care needs, helping to keep them out of hospital.
- Intermediate care, offering short-term recovery and rehabilitation, keeping patients out of hospital, or to help them leave hospital when that is in the patient's best interest.
- Integrated discharge, working with patients, carers and hospital staff, to help people return home from a hospital stay as soon as possible.
- Health promotion, supporting people to improve their health and wellbeing, for example through prevention assessment teams and the Living Well programme.
- Coordinated and flexible services for families and children through its health visitors and school nurses, for example breastfeeding support teams and care for children with complex health needs.
- Health and care across a number of community settings including people's own homes, hospitals, clinics, health centres, GP surgeries, schools and community venues.

How the Trust does it

SCFT cares for most people in their own homes or as close to home as possible. It puts the people it cares for at the centre of everything it does, wraps care around them and works closely with GPs, hospital trusts, local authority social care, voluntary organisations, other providers and commissioners to ensure people get the support they need.

In total, SCFT employs over 5,500 people (both full and part-time staff) including health care assistants, nurses, doctors, dentists, therapists, dieticians, health visitors, podiatrists, clinical psychologists, radiographers, pharmacists and many more. They are supported by experts in areas such as infection control, medicines management, information technology, human resources, service experience and finance.

Many of the staff work in multidisciplinary and multi-agency teams combining a range of specialisms and backgrounds, who work together with the Trust's health and social care partners to offer integrated, seamless care to patients.

Vision, strategic goals, values and corporate objectives

Vision

The Trust's vision is of a health and care system that provides excellent care at the heart of the community.

Strategic goals

In September the Trust Board approved its new 2022-2026 Trust Strategy. It will guide work within the Trust with a focus on working in collaboration with partners to provide the best outcomes for patients. The strategy is the culmination of extensive engagement work and collaboration with teams from across the Trust, as well as with patients and external stakeholders. The Trust Board has set five new strategic goals to achieve its vision:

- **A great place to work** – attract new colleagues, opportunities for learning and development, wellbeing prioritised and a sense of belonging.

- **Reducing service inequities** – work with partners to change the way services are designed and delivered to ensure more equitable access to support improved outcomes and experiences.

- **Continuously improve** – colleagues will be able to show how they have made a demonstrable difference to patients through continuous learning, accelerating improvement and sharing what works.

- **Digital leader** – continuously demonstrate growing digital capability to enable and enhance the care provided to patients in every service.

- **Sustainability** – resources used sustainably to deliver the best value outcomes for patients, reducing the environmental impact and sustainably develop services to better serve local communities and colleagues.

Values

To guide the Trust's work, as it seeks to achieve its goals, it will remain true to its core values:

- **Compassionate care** – caring for people in ways the Trust would want for its loved ones.

- **Working together** – as a team forging strong links with the people it cares for, the wider public and its health and care partners, so the Trust can rise to the challenges it faces together.

- **Achieving ambitions** – for users, for staff, for teams and for the organisation.

- **Delivering excellence** – because the people the Trust cares for and its partners deserve nothing less.

Corporate objectives

In May 2022, the Trust Board agreed a set of corporate objectives for 2022-23. These are consistent with the strategic goals set out in the 2022-26 Trust Strategy:

- Publish its **Learning and Education Strategy** and launch its **Learning Academy** to help the Trust both attract new colleagues and to develop its existing people.
- Use **learning** from the neurodevelopmental pathway and publish the **methodology** for **changing how services are accessed** based on waiting time, demographic and socio-economic information, and clinical need.
- Demonstrate improvements in how care is delivered through the use of **quality improvement (QI) methodology**. Share case studies to enable learning and to promote innovation and best practice.
- Deliver a **new data platform** to improve the Trust's ability to **manage all data**. Relaunch The Pulse (staff intranet) making access to tools, resources, support and information for colleagues easier and more intuitive than ever before.
- Deliver its **financial plan** and continue to **improve its services**. Meet a further **10% reduction** in its **carbon footprint** against its 2010 baseline.

Engagement with the public, patients, staff, members, local groups and other stakeholders

The Trust continues to:

- Listen to and involve patients and carers as equal partners in shared decision-making to help the Trust shape the development of high-quality services.
- Work in partnership with its stakeholders, staff, partner organisations and members to improve services.
- Work with voluntary organisations, services and the community to improve access to services for people with a disability, sensory loss or impairment.
- Provide face-to-face, telephone and video calling translation services for people whose first language is not English and interpreting services for people who have a disability, sensory loss or impairment.
- Prioritise engagement with staff. This included regular all-staff webinars hosted by the Executive team, to enable staff to share their experiences at work with a focus on improved wellbeing.
- Engage with senior leaders through online meetings including updates from the Executive team, opportunity for questions and feedback, and sharing examples of positive stories, innovations and developments.

- Engage volunteers in key services to enhance patient and staff experience. This included community hospitals volunteers who support patients and administration teams.
- Engage with its members through its Members' Newsletter, encourage feedback, promote engagement opportunities, invite members and local people to consider standing as a governor and to vote in governor elections.
- Encourage all people to observe Board meetings held in public by webstream where in person attendance is not possible, and to provide mechanisms to ask questions to the Board in real time.

Council of Governors

The Council of Governors plays an important role. They are involved in developing Trust plans, they represent the interests and views of patients, staff, members and the wider public, and they hold the non-executive directors to account for the performance of the Board.

Membership and Engagement Strategy

The Board ratified the Trust's three-year strategy in August 2020. The Trust is ambitious and wants to create a more vibrant and diverse membership community, and one which has a real voice in shaping the future of the Trust and the services it provides.

The strategy sets out the Trust's ambition to improve how it attracts members, how it keeps them informed and engaged, and to increase opportunities for members to become more involved in SCFT.

The three objectives are:

1. To improve the way the Trust engages with its members.

2. To continue the work towards a membership that is representative of SCFT's diverse communities.

3. To maintain a credible level of Trust membership, in particular to promote the involvement of all sections of the community.

The full strategy is available from the Trust's website: www.sussexcommunity.nhs.uk/member.

The strategy is to be refreshed in 2023-24. There will be a focus on seeking feedback from members and the public on NHS services and to drive membership recruitment in underrepresented segments of the local community including black, Asian and ethnic minority and children and young people. A regular newsletter is issued promoting opportunities to get more involved with the Trust and to encourage feedback.

Integrated Care System (ICS) and commissioning

The Health and Care Bill 2022 was passed into law and created 42 ICSs in England as statutory bodies on 1 July 2022. The aim is that health and care services in each area can be joined-up to: improve health outcomes, reduce health inequalities, enhance value for money and support social and economic growth. This approach encourages collaboration between NHS trusts, GPs, local authorities and other health and care providers to meet the needs of their local population. It replaced the previous legislative framework of competition between providers of healthcare services.

In Sussex there is one ICS and it has two distinct statutory elements:

- An **Integrated Care Partnership (ICP), the Sussex Health and Care Assembly** which is a joint committee responsible for bringing together a broad range of system partners (including NHS organisations, local authorities, academic institutions, voluntary, community

and social enterprise groups, and patient representatives) to agree the strategic direction which meets the health, public health and social care needs of the population.

- An **Integrated Care Board (ICB), NHS Sussex** which has assumed responsibility for the NHS commissioning functions from the previous Clinical Commissioning Groups (CCGs), as well as some of the functions from NHS England, with clear accountability for strategic planning, resource allocation and the performance of NHS organisations in the ICS.

In December 2022, the ICS launched its priorities and its Integrated Care Strategy called Improving Lives Together. The Trust is actively engaged with the emerging ICS and ICB in Sussex and the Trust Strategy is aligned to the ICS Integrated Care Strategy.

NHS England and local authorities also commission services from the Trust and it works in partnership with a number of providers. In addition, SCFT provides services to people living outside of these areas, including parts of Hampshire, Surrey and Kent.

Key partners include:

- NHS England (NHSE).
- Integrated Care Board (ICB), known as NHS Sussex.
- Integrated Care Partnership (ICP), known as the Sussex Health and Care Assembly.
- Local authorities: West Sussex County Council; Brighton & Hove City Council; and East Sussex County Council.
- GPs across its area.
- Local NHS providers across the area.
- Higher education organisations.
- Other care organisations, including local hospices, residential and nursing homes.
- Sussex Musculoskeletal Partnership Central and HERE (Care Unbound).
- Third sector organisations including Age UK East Sussex, Diabetes UK and Macmillan.
- Groups that can speak on behalf of the people who use Trust services, including local Healthwatch organisations, patient groups and scrutiny committees.

The Trust thanks them all for their continued and committed support in helping it deliver quality services to the communities it jointly serves.

Engaging with MPs

The Trust keeps in regular contact with local MPs. Examples include briefings on the COVID-19 mass vaccination programme, service changes and improvements.

Scrutiny Committees

The Trust has built relationships with the three Health Overview and Scrutiny Committees in Sussex. These bodies consist of local councillors and hold NHS organisations to account, on

behalf of their local public, for the quality of NHS services. The Trust engages with them about service change.

Healthwatch

Healthwatch England is the independent consumer champion for health and social care in England – to ensure the voice of the consumer is heard by the people that commission, deliver and regulate health and care services. Healthwatch England supports the range of local Healthwatch bodies across the country. The Trust works closely with these local bodies, welcoming their input as 'critical friends'. As part of the ongoing relationship the Trust welcomes Healthwatch to its events, such as its Annual Members' Meeting, and engages with them about service changes.

Healthcare in Sussex

When the NHS Long Term Plan was published, in January 2019, it signalled a wave of changes across the NHS.

These included the development of integrated care systems (ICSs), where organisations involved in health and social care delivery work more closely together to improve patients' health, wellbeing and experience.

The Sussex ICS was created in 2020; it has three emerging integrated care partnerships (ICPs), with 40 primary care networks (PCNs).

ICPs bring together all provider health organisations in a given area to work as one.

A PCN consists of groups of general practices working together, and in partnership with community, mental health, social care, pharmacy, hospital and voluntary services in their local area, to offer more personalised, coordinated health and social care.

The focus is on providing care in a way that benefits patients – not what is easiest for organisations. SCFT is a key partner in the Sussex ICS.

The Trust is a leader in community care and is at the forefront of the Long Term Plan commitment to ensure more patients can be treated either at home or in a clinic/community setting near to them, rather than receiving treatment in an acute hospital.

In February 2021, the government published its 'Integration and innovation: working together to improve health and social care for all' White Paper setting out legislative proposals to build on the NHS Long Term Plan and the collaborations seen through COVID-19. ICSs in England were made statute on 1 July 2022.

These are exciting changes. The White Paper and the Long Term P,lan make collaboration real and represents a move away from divisive competition within the NHS – this is better for the people the Trust serves.

Sussex Community NHS Charity

The charity supports the Trust to deliver the highest levels of care to patients in the community and to improve the experience of its staff. Together, with the kind support of members of the community, the charity raises vital funds to cover the costs of projects. In 2022-23, the charity spent £295,058 on grants to staff to improve patient and staff experience, wellbeing and care. The charity works with several local League of Friends to raise funds to improve the experience for both patients and staff.

Further information about the charity is available from the Trust's website: www.sussexcommunity.nhs.uk/charity.

Sussex Primary Care Limited

Sussex Primary Care Limited (SPC) is a wholly-owned subsidiary of SCFT. It was incorporated in November 2018 to provide an alternative to the partnership model of general practice and combines the scale and stability of the Trust with the local focus and 'fleetness of foot' of general practice.

SPC took on its first practice in June 2019 and as at 31 March 2023 had seven practices across Sussex. It is the largest single provider of GP services in Sussex. SPC helps to provide sustainable primary care and supports the Trust's vision of excellent care at the heart of the community.

Further information about SPC is available online: www.sussexprimarycare.co.uk.

Key issues, opportunities and risks in delivering its goals and objectives

Risk assessment

The monitoring of issues and risks is a fundamental part of the Trust's governance structure. To do this effectively, the Trust maintains a risk register containing directorate specific risks. The risk register is the main record for operational risks within the Trust. The risk register is reviewed by the Trust-wide Governance Group (TWGG) and the Risk Oversight Group to gain assurance that controls and mitigating plans are suitable, sufficient and are being appropriately monitored, with oversight being provided by the Executive Committee and Board Committees. Strategic risks and the actions to mitigate their impact are described in the Board Assurance Framework (BAF).

Significant risks (scored 12+) are reviewed by the Executive team and where they are deemed to be a high risk to service delivery or patient care (scored 15+), they will be escalated to the Board. Any risk which is likely to impact on the delivery of the Trust's strategic goals and objectives is captured in the BAF.

The BAF is a key assurance tool that ensures the Board is properly informed about the overall risks to achieving the Trust's strategic goals and objectives. It is reviewed quarterly by the Trust Board.

The key risks to delivering the Trust's strategic goals are:

- **Workforce** – There is a risk that the Trust will not be able to recruit or retain the right numbers of staff with the right skills to deliver its objectives in the medium to longer term. In addition, there is a lack of contemporaneous data for workforce absence and utilisation which means the organisation may not respond quickly to address short-term gaps in workforce.
- **Cyber resilience** – If the Trust is unable to provide the information and data that support operational services there could be an adverse impact on its ability to operate efficiently and effectively within the health economy.
- **Data quality and effective use of data** – There is a risk that the Trust's strategic goals and criteria for success is adversely affected; by inconsistencies in the availability of timely and, accurate/complete data; and by limited data analytics skills and knowledge across the Trust of how data can be used and interpreted.
- **Financial sustainability** – There is a risk that that the revenue available to the Trust in the medium term (over the next three years) will not be sufficient to cover the costs incurred in

meeting patient demand for SCFT services, and to support delivery of the other strategic goals of the Trust. This may result in increasing issues with access to services, including waiting times, increased health inequalities, and an inability to improve and update equipment and infrastructure for the benefit of patients and staff.

- **Estates** – Should the estates infrastructure, buildings and environment not be fit for purpose, then there may be an adverse impact on sustainability and the delivery of other strategic goals, including 'A great place to work' and 'Reducing service inequities.'
- **Evolving statutory and regulatory framework for integrated care** – There could be an impact on the Trust's ability to deliver its strategic goals arising from ongoing changes to the evolving statutory and regulatory framework for integrated care. Whilst integrated care is well embedded in many Trust services, increased collaborative working across the system is key to multiple strategic objectives.
- **System fluidity** – If the Trust is unable to maintain and develop collaborative relationships with partner organisations based on shared aims, objectives, and timescales there could be an adverse impact on its ability to operate efficiently and effectively within the local health economy and to deliver its three-year strategy. The changing role, authority and status of the ICS may further impact the Trust's ability to deliver its strategic goals.
- **Continuous improvement** (renamed in the year from Quality and Patient Experience) – Should the Trust be unable to demonstrate delivery of continuous and sustained improvement through learning and sharing there will be a resulting adverse impact on quality outcomes and exacerbation of health inequities.

Performance summary

Key performance indicators (KPIs) are made up of operational, quality, workforce and financial measures. The Performance team ensure oversight of all measures and data quality. The Trust Board monitors delivery through its review of high level KPIs presented in the Integrated Performance Report (IPR). Below Board level, committees and service level performance meetings review KPIs and other information in detail. This forms part of the overall governance structure of the Trust.

KPIs are reported at each Board meeting and to the public through the IPR. The Board challenges and adapts the performance measures it scrutinises to provide the best possible assurance that the Trust is well-managed, that patients are well cared for and that early warning signs of issues are identified and appropriate actions taken. The IPR highlights performance against a range of measures. These include those set out in NHS England's (NHSE) Oversight Framework but also other indicators, agreed by the Board, which reports performance against the organisational objectives and the Care Quality Commission (CQC) domains of safe, caring, effective, responsive and well-led.

Equality of Service Delivery

In November 2020, the Trust launched its Equality, Diversity and Inclusion Executive Steering Group (since renamed the Tackling Inequalities Steering Group) to lead improvements relating to its staff and patients. There is a national commitment to reduce inequalities in access and to reduce inequalities in outcomes. Mindful of this, the Trust Board approved its new 2022-26 Trust Strategy in September with inclusion of a new strategic goal 'Reducing Service Inequities'. The Trust is committed to reducing inequities, by working with partners to change the way services are designed and delivered, to ensure that there is more equitable access to support improved outcomes and experiences.

The Trust is equally committed to meeting patients' emotional, spiritual, social and cultural needs. Equality and Human Rights Act impact assessments are embedded into Trust decision-making processes.

Quality of Care Performance

On an annual basis, as a foundation trust, the Trust is required by legislation to publish an audited Quality Report on its achievement of both key priorities for quality improvement and on its performance in relation to the maintenance of essential standards for quality and safety. However, following current national guidance the Trust will be publishing an unaudited Quality Account by the end of June 2023. It will be available from the Trust's website: www.sussexcommunity.nhs.uk/reports.

Quality Goals

Below is a summary of the Trust's quality improvement priorities, as agreed in the Quality Account 2021-22, for delivery in 2022-23:

Safe care

The Trust said improving the nutrition and hydration of patients in its Intermediate Care Units (ICUs), using Quality Improvement methodology, will support the delivery of the recommendations within the national Commissioning for Quality and Innovation (CQUIN) CCG 13 – Malnutrition Screening in the Community.

Why this was chosen
It is essential to get this right for patients. However, the Trust was aware from complaints and/or incidents that this was not always achieved.

Outcome

- Incidents and complaints with a nutrition and hydration element were reviewed and the Trust's incident reporting system was updated to make incidents of this nature easier to identify and address.
- The Trust did not receive any complaints, regarding nutrition and hydration, within the baseline assessment period.
- Following evaluation, the Malnutrition Universal Screening Tool training is now mandatory for role from 1 March 2023.
- Materials have been developed and introduced including:
    - Visual aids, such as place mats to encourage patients to drink fluids.
    - New crockery.
    - Introduction of finger food for grazing.
    - Visual fluid charts that patients can complete to show how much they are drinking.
- Exceeded the target with an end of year result of 93.7% of ICU patients being screened for their risk of malnutrition.

Effective care

The introduction of Falls Champions will improve the assessment and management of patients at risk of falls across the Trust's ICUs.

Why this was chosen
Patient falls continues to be one of the top incidents reported nationally and can result in immediate harm leading to longer-term problems. In 2021-22, the average inpatient falls rate at the Trust was 3.8 per 1000 occupied bed days (OBD) and there were 19 reported falls with significant harm.

Through assessment of risk factors for falls, proactive management and rehabilitation it is possible to reduce the risk of future falls and harm to patients whilst in the Trust's care.

Outcome

- 87.9% of falls risk assessments within 24 hours of admission and 90.6% of falls risk assessments within 48 hours of admission were completed.
- A dashboard was developed to review falls data. This information informs where more in-depth reviews and targeted support is needed to achieve the Trust target of falls risk assessment completion.
- There is at least one Falls Champion at each ICU. Falls Champions have attended enhanced training with a focus on falls risk assessment and action planning.
- A post falls checklist was developed and introduced to standardise and improve documentation.
- A post-fall debrief is being developed in partnership with the Patient Safety team to further enhance learning from falls.
- Post falls management on all ICUs has improved since the introduction of the Hoverjack in 2021 (a patient air lift).
- The number of falls with significant harm has reduced from 19 in 2021-22, to 13 in 2022-23 – a 32% reduction.
- Since June 2022, Falls Champions completed monthly audits and data has shown improvements at all ICUs. Data is now being captured directly, on the patient record system. Auditing is no longer required as data can be viewed by all ICUs teams regularly.

There is still further work to be done and this priority will continue into 2023-24.

Effective care

To enhance and improve the community rehabilitation offered across services, evidencing its impact in delivering improved outcomes for patients.

Why this was chosen

It was recognised that community rehabilitation has a key role in improving patients' recovery, function and independence. COVID-19 has a long-term effect on increasing levels of frailty and patients at risk of falls and hospitalisation.

Outcome

Benchmarking of Trust services providing rehabilitation was undertaken against NHS RightCare Community Rehabilitation Toolkit and the Chartered Society for Physiotherapists (CSP) rehabilitation guidelines which resulted in the following plans for improvement:

- A draft rehabilitation strategy was developed with clear measurable outcomes; engagement events on this will happen in quarter one of 2023-24, with a plan to launch in quarter two.
- A survey and focus groups with adult community teams and community neurorehabilitation teams was undertaken to identify key training needs across registered and unregistered staff.
- An audit of evidence of personalised care taking place across all services was completed and will be reaudited once training has been rolled out and Personalised Care Champions have been identified.
- In collaboration with our partners, plans have been made to support the identified training needs, utilising a community rehabilitation training grant of £30,000 provided by Health Education England to ensure staff are skilled in undertaking shared decision making and goal setting with patients.
- Training has been rolled out using the Therapy Outcome Measures (TOMS). Launch to include a reporting dashboard is to take place in 2023 -24 to evidence impact. The Trust met its target of 40% of services reporting TOMs.

There is still further work to be done and this priority will continue into 2023-24. A target will be set in quarter four 2023-24 to ensure that staff are skilled in undertaking shared decision making and individualised goal setting with patients.

Patient-centred care

To improve engagement with children, young people, parents and carers who access Trust services. This would help support service improvements and have a positive impact on the health and wellbeing of individuals and their families.

Why this was chosen

To improve how the Trust listens to the voices of children and young people, and their families.

Outcome

- A review was undertaken of children's services that were completing the Friends and Family Test (FFT).
- A working group was established to promote and progress the actions needed to increase feedback from children and young people.
- National and local resources were made available to increase engagement with families.
- Links with carer and parent forums and Childrens and Young People Healthwatch were established which will help inform further work in 2023-24.
- In the year 17,263 FFT surveys were completed, of which, over 3,300 were related to children and young people. This represents 19.1% of overall FFT compared to 8.2% in 2021-22.
- The target of 50% of children's services gaining feedback in 2022-23 was achieved.

There is still further work to be done and this priority will continue into 2023-24.

Compliance with quality and safety standards and indicators

As part of the Trust's governance processes there was a review of quality indicators from service level through to the Board. The level of detail was informed through various specialist groups and committees and high-level summaries are included in the Trust's Quality Account.

There was a good level of assurance in relation to the Trust's compliance with all areas of quality and safety. Key areas were reviewed against the five key questions used by the CQC (safety, effectiveness, responsiveness, caring and well-led). Detail was reviewed and included reference to:

- Clinical audit – national and local audits that inform and improve practice.
- CQUIN (Commissioning for Quality and Innovation) – delivery against key priorities in conjunction with commissioners.
- Learning from deaths through regular mortality reviews.
- Learning from patient experience, both negative and positive, through complaints, compliments and other feedback.
- Infection control – compliance with national guidance and reduction in health care associated infections.
- Patient safety incidents review and learning from themes.
- Staffing levels and actions to mitigate issues.
- Effectiveness/responsiveness in services – key KPI's (e.g. 18-week compliance, urgent care response times etc.) that inform service delivery.
- Compliance with NICE (The National Institute for Health and Care Excellence) guidance and policies.

Financial Performance, Going Concern and Use of Resources

In recent years the Trust has consistently demonstrated strong financial management and resilience, reporting a recurring surplus each year.

In 2022-23 the Trust reported an adjusted surplus of £47k. This compares with an adjusted surplus of £211k in 2021-22.

An 'adjusted' surplus means accounting for the surplus on a like-for-like basis with other NHS organisations in line with commonly understood NHS budgeting principles. The key adjustment being made is to exclude the effect of asset impairments. The financial position is consolidated as it includes the Trust's subsidiary company Sussex Primary Care Limited (SPC).

Accounts heading	22-23 £ 000s	21-22 £ 000s	Comment
Surplus/(Deficit) for the year	(2,318)	661	The reported position in the annual statement of accounts
Adjustments	2,365	(437)	Excluding the impact of impairments and donated assets. Including prior period adjustments
Adjusted surplus/(deficit)	47	224	The adjusted surplus shown in the statement of accounts
Further adjustments excluded from the control total	0	(13)	Profit/(loss) on disposal and prior period adjustments
Surplus on a control total basis	47	211	The reported surplus following relevant adjustments

2022-23 saw the abolition of Clinical Commissioning Groups (CCGs), with the statutory authorisation of the Sussex ICS and Integrated Care Board (ICB) on 1 July 2023. The ICS is known as NHS Sussex and has taken on the commissioning functions previously carried out by the CCGs. In addition, 2022-23 has seen the return of more normal contractual arrangements with commissioners following special arrangements that were put in place during the COVID-19 pandemic. As a community provider, the Trust has a key role in supporting the ICS in managing demand, budgets and patient flow across Sussex. The Trust continues to work closely with system partners to align finance and operational plans to best serve the local population. The Trust has also been working closely with system partners in developing a prioritised and coordinated capital investment programme across Sussex and has shared its own capital programme with system partners.

The NHS Long Term Plan acknowledges the crucial role that community services play in addressing the system-wide challenges of managing demand and patient flow. The continued drive, both nationally and locally, is towards healthcare services increasingly being provided in the community rather than within hospital settings. This gives the Trust ever greater opportunities to grow and thrive as a financially sustainable provider. There will be increased partnership working across Sussex to address the healthcare challenges of the population. The Trust is playing an active part in the development of the Sussex Integrated Care System (ICS) and the move towards system-wide financial planning.

The Trust's turnover has shown a small increase compared with 2021-22. This reflects a reduction in workforce numbers and in some activities following the winding down of COVID-19 arrangements including the mass vaccination programme. It also reflects upward pressures of inflation and pay settlements in the year.

Accounts heading	22-23 £ millions	21-22 £ millions	20-21 £ millions
Gross operating income	324	315	285

Going Concern

The going concern assumption is a fundamental principle that the Trust has applied when preparing its financial statements. Under this assumption, the Trust is viewed as continuing in business for the foreseeable future with neither the intention nor necessity to cease operations. The Trust has applied the going concern assumption for the following reasons:

- The Trust provides essential and statutory community healthcare services to residents of Sussex and there are no plans to withdraw those services.
- In 2022-23 the Trust made a financial surplus of £47k, continuing its strong track record of making a financial surplus in each financial year. Despite increasing financial pressures, the Trust has set a financial plan to achieve a break-even position in 2023-24.
- The Trust's cash position was stable throughout 2022-23 and at 31 March 2023 the Trust had cash balances of £38.7 million. In the financial plan for 2023-24 the Trust expects to hold cash balances of £26.8 million at the end of that financial year.
- The Trust's good performance against the target to pay valid invoices within 30 days of receipt. In 2022-23 the Trust achieved compliance of 94.7% by volume and 95.6% by value.

Capital investment

The Trust's capital programme includes an ambitious proposal to build a new health hub at the Brighton General Hospital site. The project has been significantly delayed by the COVID-19 pandemic. This had led the Trust to account for an additional impairment of £0.3m related to spend prior to May 2020. In early 2023 the Trust acquired land adjacent to the Brighton General Hospital which is key to the delivery of the project. The Trust intends to progress with the business case and the project in 2023-24.

During 2022-23 the Trust continued to invest in improving its infrastructure and services. In particular, it has continued to invest extensively in digital technology, resilience and innovations. This rapid and extensive investment has enabled the Trust to adapt quickly to new ways of working. In the year the Trust secured £2.3m of front-line digitisation funding and has been successful in securing a multi-year settlement for future funding. This rapid investment in new digital technology has led the Trust to review the carrying value of older technology assets, resulting in an impairment charge of £2.8m in 2022-23.

Workforce

76 per cent of the Trust's expenditure relates to workforce. Recruiting and retaining sufficient staff to fill all vacancies is one of the Trust's key operational risks and challenges, in the context of a national and local shortage of clinical staff. The challenge has been exacerbated by conditions in the wider economy and the Trust continues to be affected by industrial action in relation to nationally agreed pay awards. The Trust's financial statements reflect both the costs of NHS pay awards and increases in the cost of the NHS Pension scheme.

Understanding future workforce needs, investing in recruitment and retention, and closely monitoring these costs will continue to be key areas of focus for the Trust in 2023-24.

Looking ahead

2023-24 looks to be a financially challenging year for the Trust as it grapples with inflationary pressures, workforce challenges and the continued effects of industrial action. The outcome of pay settlements and how these will be funded could have a significant impact on the Trust's financial position.

Despite these challenges there is reason for optimism. The NHS Long Term Plan acknowledges the crucial role that community services have in addressing the system-wide challenges of managing demand and patient flow. An example of how the Trust is working closely with its partner organisations is in the Virtual Wards programme, which is a collaboration with other Trusts and the ICB. The Trust continues to play a key role in greater integration with health partners in Sussex.

The Trust continues to invest in improvements to its buildings and facilities. In July 2023 the Trust intends to take ownership of three properties it currently leases, Arundel and District Community Hospital, Bognor Regis War Memorial Hospital and Zachary Merton Community Hospital. New long-term leases to buildings in Crawley and Worthing will support better patient experience at those sites. The Trust is also committed to developing a new health hub at the Brighton General Hospital site.
The Trust also continues to invest in its digital capabilities and is delivering its digital strategy to improve patients' health and wellbeing and their care experience through the effective use of data, digital technology and technology-enabled care.

Care Without Carbon – delivering sustainable healthcare

The Trust is now delivering its second Care Without Carbon (CWC) strategy known as the CWC Green Plan 2021. It sets out how CWC will continue to meet the Trust's vision to provide excellent care at the heart of the community, in the context of climate change.

The CWC vision is: "Together we lead the way in Net Zero Carbon healthcare; protecting the environment on which our health depends."

Delivering this will drastically reduce the Trust's environmental impact and also deliver real health benefits to patients and the wider community; reduced emissions means reduced admissions.

As a leader in the sustainable health and care sector, the Trust is committed to meeting NHSE's ambitious new Net Zero Carbon targets, and where possible, exceeding them. This next phase of work is about making sustainability part of everyday thinking and decision making, and maximising impact as far and wide as possible.

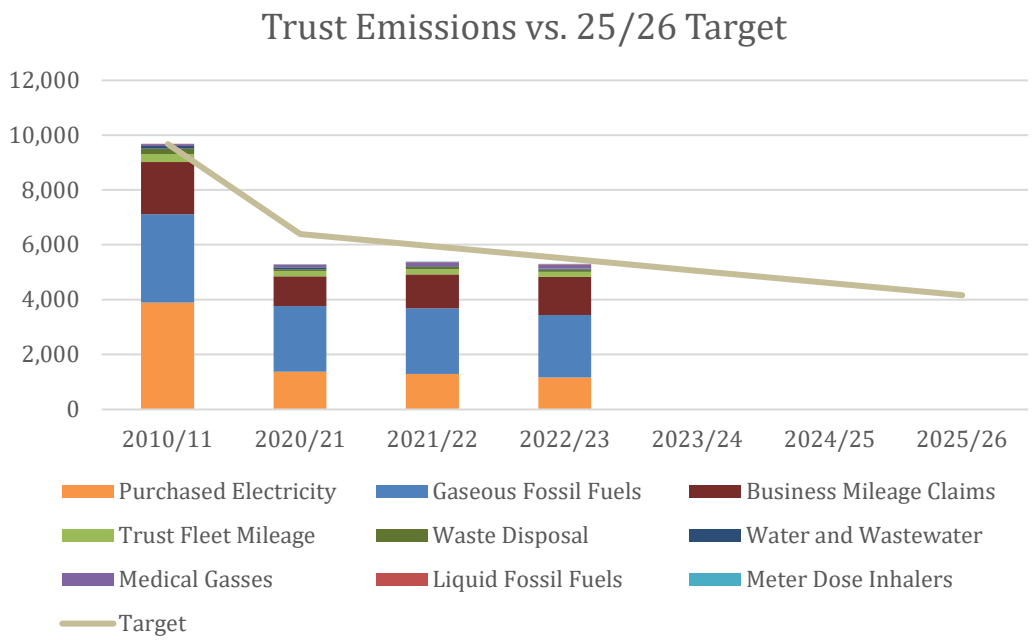
The full Green Plan is available online: https://bit.ly/cwcstrategy with further information from the Trust website: www.sussexcommunity.nhs.uk/sustainability.

Sustainability performance in 2022-23

In 2022-23:

- The Trust's NHS Carbon Footprint was 5,299 tonnes CO2e. Around 65% of emissions were from the electricity and gas used within the Trust's estate, 30% from travel and 3% from medical gases.
- The rapid decarbonisation of the national grid over the past decade has supported a significant reduction in the Trust's electricity emissions.
- As a result of the Trust returning to normal activities post pandemic, emissions from business travel have increased since last year. However, it is anticipated these emissions will start to fall as more sustainable travel options are used including the use of electric rather than fossil fuelled vehicles in future.
- The Trust disposed of 840 tonnes of waste, with zero waste to landfill. It recycled 38% of its non-healthcare waste and improved its segregation of healthcare waste post-pandemic with 52% disposed of as offensive waste in line with NHSE recommendations.

Between 2011-12 and 2022-23 the Trust has reduced its absolute carbon footprint by 4,831 tonnes CO_2e. This is a 45% reduction against its 2010-11 baseline and puts the Trust on a trajectory to meet its 2025-26 target.



Programme governance – how CWC is delivered

The CWC team is responsible for designing, implementing and reporting the CWC programme across the Trust. Progress of the programme is reported to the Executive Committee and Resources Committee quarterly.

In 2023-24 a new governance structure will be implemented, including a cross-organisational steering committee for the CWC programme, chaired by the Board lead for Sustainability and Net Zero at the ICS.

Key highlights in 2022-23

CWC has developed both in terms of its approach and its reach during 2022-23. Progress on each of the eight elements of the plan is available online: www.sussexcommunity.nhs.uk/sustainability

Social, community, anti-bribery and human rights

The Trust has the following policies, procedures and strategies in place to enable a culture of fairness, openness and transparency, ensuring the best possible outcomes are delivered within the community it serves:

Equality and Diversity Policy & Procedure

Aims for equality of opportunity that is accessible, person-centred, safe and effective. Promoted to people who use Trust services and for staff to know that the Trust is committed to ensuring equality of opportunity, support and development of careers.

Anti-Fraud, Bribery and Corruption Policy

It is a core responsibility of everybody to report their suspicions or specific knowledge of any act of fraud, bribery or corruption that may be occurring at the Trust. All referrals are dealt with confidentially.

Research and Innovation Policy

The Trust delivers excellent clinical research at the heart of the community by building and sustaining a vibrant clinical research environment that is robust, cost-effective, nationally competitive, and aligned to local, regional and national priorities.

Safeguarding Strategy

The Trust's strategic approach is to strengthen arrangements for safeguarding. It makes clear the roles and responsibilities of all staff to safeguard. Within this strategy is the Prevent strategy. The safety of children, young people and adults at risk of radicalisation is the responsibility of all staff at all times. To ensure those children, young people and adults at risk in the community are appropriately identified, supported and referred is core to safeguarding processes.

Security Strategy

This strategy sets out how the Trust fully complies with its statutory and regulatory obligations in management of security.

United Kingdom Modern Slavery Act (2015)

The Trust is committed to comply with the UK Modern Slavery Act (2015) to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

To protect workers from modern slavery the Trust undertakes pre-employment checks for all people being recruited, including that they have the required legal documents to verify their identity and right to work in the UK. The Trust uses staff from agencies on approved frameworks, which are audited to provide assurance that pre-employment clearance has been obtained for agency staff. The Trust also applies professional codes of conduct and practice relating to procurement and supply, including through its Procurement team's membership of the Chartered Institute of Procurement and Supply.

The Trust is committed is to ensuring that no modern slavery or human trafficking is related to any of its business is set out in its purchase orders. If the Trust becomes aware of a supplier involved in modern slavery, then it will alert the authorities, including expressing a concern to the local safeguarding teams and police.

Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES)

The NHS Equality and Diversity Council announced on 31 July 2014 that it had agreed action to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. The Trust and all other providers are expected to show progress against indicators of workforce equality as set out in the Workforce Race Equality Standard (WRES).

The Workforce Disability Equality Standard (WDES) is a set of ten specific measures (metrics) which enables the Trust to compare the workplace and career experiences of disabled and non-disabled staff. The Trust uses the metrics to develop and publish an action plan. Year on year comparison enables the Trust to demonstrate progress against the indicators of disability equality.

WRES and WDES and are important because studies shows that a motivated, inclusive and valued workforce helps deliver high quality patient care, increased patient satisfaction and better patient safety.

Since 2015, the Trust has demonstrated its commitment to equalities and inclusion by publishing an annual equalities report. It also celebrates the diversity of staff through various awareness and engagement events organised by its four networks including the Black Asian and Minority Ethnic (BAME) network, Disability and Wellbeing network, Lesbian, Gay, Bisexual, Trans and other sexual and gender minority (LGBT+) network and Religion and Belief network.

Estates Strategy 2022-25

In the year the Trust launched its new estates strategy. It describes how the Trust intends to completely rethink how it plans and deploys its estate – shifting away from allocating desks and rooms to people and instead planning its space around work activities. It aims to improve both patient care and staff working environments whilst delivering efficiency savings. Year one of the strategy focuses on using sensor-based technology to measure the utilisation of the estate and to begin to roll out smart booking systems (e.g. to book a space). This will provide reporting on how the space is used in real time to help reshape the estate required over time to improve quality and value for money.

Transfer of ownership of three community hospital sites in West Sussex

To date the Trust does not own any freehold estate in West Sussex. However, in July 2023 the ownership of the following three sites will transfer from NHS Property Services (NHS PS) to the Trust: Bognor Regis War Memorial Hospital, Zachary Merton Community Hospital and Arundel and District Community Hospital. This transfer was approved by the Department of Health and Social Care (DHSC) in 2022-23. It will enable the Trust to manage and maintain these buildings and to achieve efficiencies through economies of scale, supported by the Trust's facilities and management teams. In time the Trust will be able to align its estate to improve patient and staff experience, and to support collaborative work with partners.

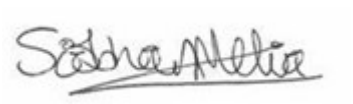
Brighton General Hospital – developing the health hub

In 2020, the Trust approved a business case to redevelop the site to create a new health hub, with most of the investment funded through the disposal of surplus land that would also provide much needed housing in the community. However, the impact of the COVID-19 pandemic and changed financial constraints regarding capital funding, it became clear that the project would need to be revised. Work had slowed in the past two years as the Trust prioritised its response to the pandemic, however, the Trust Board has reiterated its commitment to the development of the site.

In March 2023, the Trust acquired the Elm Grove Ambulance Station (adjacent to the hospital) from South East Coast Ambulance NHS Foundation Trust (SECAMB) and this will help to enable the development. The Trust has procured a partner, through the ProCure23 framework, to work up the business case and develop the scheme.

Changes will need to be made as local health needs and requirements for services have changed following the pandemic. The Trust is working with its partners within the Sussex ICS to agree how these services can be planned in a way that allows them to better meet local healthcare needs. In agreeing a new way forward, it is the Trust's intention in 2023-24 to work with partners to find a viable option within the constraints faced.

Signed:



Siobhan Melia, Chief Executive
Date: 22 June 2023

Accountability Report

Directors' Report

The Board of Sussex Community NHS Foundation Trust

The following changes to the Board were made during the year:

- Siobhan Melia, Chief Executive, was seconded to South East Coast Ambulance NHS Foundation Trust (SECAMB) from 1 July 2022 to 31 March 2023.
- Mike Jennings, Deputy Chief Executive/Chief Financial Officer was appointed Interim Chief Executive from 1 July 2022 to 31 March 2023.
- Ed Rothery, Director of Finance and Performance was appointed Interim Chief Financial Officer from 1 July 2022 to 31 March 2023.
- Rebecca Crook, Non-Executive Director, left the Trust on 31 August 2022.
- Mandy Chapman, Non-Executive Director, joined the Trust on 1 January 2023.

The Executive Director portfolios are as follows:

- **Chief Executive:** has overall executive responsibility for the Trust and is accountable to the Board.
- **Chief Financial Officer/Deputy Chief Executive:** leads on audit, finance, performance, business development and sustainability.
- **Chief Operating Officer:** leads on operations and emergency planning.
- **Chief Nurse:** professionally responsible for nurses and allied healthcare professionals (AHPs), leads on quality governance, patient experience and involvement, safeguarding, quality improvement and is the Director of Infection Prevention and Control and Executive Lead for Freedom to Speak Up (FTSU).
- **Chief Medical Officer:** leads on patient safety, aspects of quality governance and risk. Professionally responsible for medical, dental, public health, pharmacy and research and development staff. Responsible Officer for medical revalidation, Caldicott Guardian and Chief Clinical Information Safety Officer.
- **Chief Digital and Technology Officer*:** leads the digital strategy, information management and technology.
- **Chief People Officer*:** leads on workforce, human resources, organisational development, occupational health and communication and engagement.

*The Chief Digital and Technology Officer and Chief People Officer are non-voting Board members.

The Board is responsible for setting the vision and strategy of the Trust and for its overall performance, taking into account the views of the Council of Governors and members.

Membership of the Board is consistent with the requirements of the Trust's constitution. The Non-Executive Directors' skills and experience ensures there is sufficient scrutiny of Executive Directors' decision-making. The Board meets in public six times a year.

The Board has in place a scheme of delegation and a schedule of powers and decisions reserved to the Board to ensure that decisions are taken at the appropriate level. The Board delegates responsibility for the day-to-day implementation of strategy to the Executive team. All Board members have confirmed their support for, and adherence to, the code of conduct for NHS Board members. All non-executive directors are considered to be independent.

During 2022-23, the Board held four developmental seminars. Seminars covered Board composition and effectiveness, development of strategy and tackling inequalities including workforce diversity, equality and inclusion.

Directors' roles and responsibilities

Executive Directors

Siobhan Melia,
Chief Executive (Seconded to SECAMB from 1 July 2022 to 31 March 2023)

Appointed 01/09/16

Previously Deputy Chief Executive and Director of Partnerships and Commercial Development at the Trust.

Siobhan has worked in the NHS for over 21 years in a range of roles. She has a clinical background obtaining her postgraduate degree in podiatry from the University of Brighton and has fulfilled a number of different clinical leadership roles. Subsequently Siobhan undertook senior management and Board level roles at a large NHS community health provider in Berkshire. In 2012 she received her MBA (Health Executive) from Keele University.

Joined the Trust in October 2013 from Telefonica UK, where she headed up their Telehealth division.

Mike Jennings,
Interim Chief Executive (01/07/22 to 31/03/23)
Deputy Chief Executive, Chief Financial Officer (to 30/06/22)

Appointed 10/10/16

Mike is a qualified accountant and a fellow of the Association of Chartered Certified Accountants (ACCA). He began his accountancy career working in the financial services industry, then worked in higher education and began his NHS career in 2002. He moved from Sussex Partnership NHS Foundation Trust in 2009 and joined Western Sussex Hospitals NHS Foundation Trust.

At Western Sussex he was Deputy Director of Finance and interim Finance Director before joining their executive team permanently in 2014 as Commercial Director.

Ed Rothery,
Interim Chief Financial Officer (01/07/22 to 31/03/23)

Appointed 01/07/22

Ed is a qualified accountant and a member of The Chartered Institute of Public Finance and Accountancy (CIPFA).

Kate Pilcher,
Chief Operating Officer

Appointed 01/10/19

Kate started her career in the NHS as a midwife and health visitor before working in several operational roles within children and adult services, including Head of Children's Services and Area Director.

Kate was appointed interim Director of Operations in October 2017 to support the Trust's Chief Operating Officer, with a particular focus on supporting colleagues internally who manage and provide patient services. This role was made substantive in May 2018. In October 2019 Kate was promoted to Chief Operating Officer.

Kate has an MSc in Leadership and Management. She has been with the Trust since it was formed in October 2010.

Dr Sara Lightowlers,
Chief Medical Officer

Appointed 01/08/19

Sara graduated in Medicine from University College London in 1988. She completed her postgraduate training in North West and South West Thames regions. For the past 22 years she has worked as a Consultant in Geriatric and General Medicine, held a number of clinical and educational leadership roles and most recently has been Medical Director for Newham Hospital, part of Barts Health NHS Trust.

Donna Lamb,
Chief Nurse

Appointed 01/06/20

Donna began her career in acute care before moving to children's services, qualifying as a midwife in 1992 and a health visitor in 1995.

Donna held a number of roles in children's community services in London including the Sure Start programme. She moved into a quality and clinical governance role whilst also being part of the Nursing and Midwifery Council as a Fitness to Practice panellist. In 2013 she joined Hounslow and Richmond Community Healthcare NHS Trust as an Assistant Director of Quality and Governance. In 2017 she was seconded into the role of Director of Nursing and Non-Medical Professionals before being appointed substantively.

Donna is a scholar of the Florence Nightingale Foundation and has an MSc in Health Services Management.

Diarmaid Crean,
Chief Digital and Technology Officer

Appointed 28/05/2019

Prior to joining the Trust Diarmaid was Digital Lead at Public Health England for five years. Whilst there he was responsible for introducing new agile ways of working and helping the organisation adopt a service design approach. The services he helped support and develop included the FoodSmart app, Couch to 5k, London GoodThinking, Public Health Outcomes, NHS Health Checks, NHS Apps library, NHS.UK, GOV.uk and many more.

Prior to that role, Diarmaid worked in many areas of the private sector delivering digital transformation for a number of large organisations such as Tui Travel, AOL and Investec Investment Bank and also smaller digital disruptors such as Zopa and Interactive Investor. He is passionate about maximising the use of digital technology to improve the services offered by organisations and most importantly their end users (and for the NHS its patients).

Caroline Haynes,
Chief People Officer

Appointed 01/11/17

Caroline was previously Deputy Director of Human Resources and Organisational Development. She joined the Trust in March 2016 and has worked in the NHS for over 20 years in a range of roles in HR and OD. Caroline has an MA in Human Resources Management and has previously worked in acute, specialist and mental health NHS trusts.

Non-Executive Directors

Peter Horn,
Chair (Chair until 31 May 2023)

Appointed 01/06/17

Peter joined the Trust in June 2017. He had previously, for six years, chaired a community interest company providing high quality NHS community health services in Medway and North Kent. He has broad experience of the NHS working in both executive and non-executive roles.

- Chair of the Board and the Council of Governors
- Chair of Nominations and Remuneration Committee
- Chair of Council of Governors Nominations and Remuneration Committee

Mandy Chapman,
Non-Executive Director

Appointed 01/01/23

Before joining the Trust, Mandy worked as a management consultant for 25 years. She focused predominantly in retail and consumer-product businesses, designing and leading major business change. Her experience brings new perspectives to the Trust. She was a Vice-President of Capgemini Consulting responsible for Strategy and Transformation and then the Business Planning Director of Tesco. Mandy is now a freelance business consultant, trainer and executive

coach. She is passionate about building collaboration and engagement of people into all aspects of delivering change.

- Chair of the Charitable Funds Committee
- Member of Quality Improvement Committee
- Member of Nominations and Remuneration Committee

David Parfitt,
Non-Executive Director

Appointed 01/07/14

David is a chartered accountant with broad commercial experience in complex and customer-orientated organisations undergoing significant change including Granada Group, TSB Group and Lloyds Banking Group, where he became risk, control and accounting director (retail).

He brings strong experience in finance, human resources, organisational development, strategic and change management and governance.

In addition, he has direct experience of the NHS, first as a non-executive director of Luton Primary Care Trust (PCT) and latterly as a lay member (audit and governance) of NHS Luton Clinical Commissioning Group.

David was a non-executive director of Portsmouth Hospitals University NHS Trust, and is a trustee and director of The Brendoncare Foundation, a director of Chichester Greyfriars Housing Association and a co-opted, independent non-voting, member of the Regulation, Audit and Accounts Committee of West Sussex County Council.

- Deputy Chair
- Chair of Audit Committee
- Member of Charitable Funds Committee
- Member of Resources Committee
- Member of Nominations and Remuneration Committee

Lesley Strong,
Non-Executive Director

Appointed 01/07/21

Lesley holds qualifications in both district nursing and health visiting and has had a long NHS career working mainly in community services as a clinician and as a Board member. Prior to retirement from executive roles, Lesley was Chief Operating Officer/Deputy Chief Executive of Kent Community NHS Foundation Trust, having joined the organisation within weeks of its creation, and was part of the leadership team that took Kent Community to Outstanding in 2019.

- Senior Independent Director (SID)
- Chair of Quality Improvement Committee
- Member of Audit Committee
- Member of Nominations and Remuneration Committee
- Member of People Committee

Mark Swyny,
Non-Executive Director

Appointed 01/07/21

Mark had a 30 year career with Lloyds Banking Group. At Lloyds Mark gained experience of general management across retail and business banking as well as holding senior roles covering procurement, supply chain, transformation, strategy and risk. Mark is also a Non-Executive Director at Supply Chain Co-ordination Ltd and The Kemnal Academies Trust.

- Chair of Resources Committee
- Member of Audit Committee
- Member of Nominations and Remuneration Committee
- Member of People Committee

Giles York,
Non-Executive Director (to 31 May 2023 and Chair from 1 June 2023)

Appointed 01/10/21

With 30 years police experience, Giles was Chief Constable of Sussex Police from 2014 to 2020. As well as his operational responsibilities, Giles has led significant national programmes and was vice-chair of the National Police Chiefs' Council, as well as chair of its Workforce Coordinating Committee for six years. Giles received national recognition from the British Association of Women in Policing for his national contribution to equality and his support for diversity and inclusion of LGBT+ communities. He holds the Queen's Police Medal (QPM), awarded to police in the United Kingdom for gallantry or distinguished service.

- Chair of Sussex Primary Care
- Chair of People Committee
- Member of Quality Improvement Committee
- Member of Resources Committee
- Member of Nominations and Remuneration Committee

Dipesh Patel,
Associate Non-Executive Director

Appointed 01/09/21

Dipesh started his career in 2006 at Barclays Investment Bank, where over eight years, he held several roles culminating in Vice President of UK and Ireland. Since 2014, Dipesh has been at the Royal Bank of Canada where he currently is the Director and Head of UK and DACH Solutions. Dipesh holds senior roles covering distribution, governance, technology strategy and transformational change of the business.

Dipesh plays an active role in the voluntary sector and has worked on various community projects. He is passionate about mentoring and diversity.

- Attendee of Quality Improvement Committee
- Attendee of People Committee

The Associate Non-Executive Director is a non-voting Board member.

Statement of Director's Responsibilities in respect of the Annual Report and Accounts

The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provides the information necessary for patients, regulators, and stakeholders to assess the Trust's performance, business model and strategy.

Board of Directors and Council of Governors: Declarations of Interest

The Trust maintains separate Registers of Interests for Directors and Governors. Both registers are available from the Trust's website: www.sussexcommunity.nhs.uk/board and www.sussexcommunity.nhs.uk/governors.

Compliance with the Code of Governance Provisions

Sussex Community NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The Code is based on the principles of the UK Corporate Governance Code.

Attendance at Board Meetings held in public

NAME	TITLE	CURRENT TENURE DETAILS	ATTENDANCE AT BOARD OF DIRECTORS
Non-Executive Directors			**Number of possible attendances / 6**
Peter Horn	Chair	Appointed 01/06/17 Term ended 31/05/23	6 (out of 6)
Mandy Chapman	NED	Appointed 01/01/23 Term ends 31/12/25	2/2
David Parfitt	NED	Appointed 01/07/14 Term ends 30/06/23	5/6
Lesley Strong	NED	Appointed 01/7/21 Term ends 30/06/24	5/6
Mark Swyny	NED	Appointed 01/7/21 Term ends 30/06/24	6/6
Giles York	NED	Appointed 01/10/21 Term ends 30/09/24	6/6
Dipesh Patel	Associate NED	Appointed 01/09/21 Term ends 31/08/23	5/6
Rebecca Crook	NED	Appointed 01/10/21 Resigned 31/08/22	0/2
Executive Directors			
Siobhan Melia	Chief Executive	Commenced 01/09/16	1/1
Mike Jennings	Interim Chief Executive; Chief Financial Officer	01/07/22 to 31/03/23; Commenced 10/10/16	6/6
Ed Rothery	Interim Chief Financial Officer	01/07/22 to 31/03/23	6/6
Donna Lamb	Chief Nurse	Commenced 01/06/20	6/6

Dr Sara Lightowlers	Chief Medical Officer	Commenced 01/08/19	4/6
Kate Pilcher	Chief Operating Officer	Commenced 01/10/19	5/6
Diarmaid Crean	Chief Digital and Technology Officer	Commenced 28/05/19	6/6
Caroline Haynes	Chief People Officer	Commenced 01/11/17	5/6

Council of Governors

All NHS Foundation Trusts are required to have a Council of Governors (CoG). Their specific statutory duties are as follows:

- Appoint and, if appropriate, remove the Chair and the other NEDs.
- Decide the remuneration, allowances and the other terms and conditions of the Chair and the other NEDs.
- Approve the appointment of the Chief Executive.
- Appoint and, if appropriate, remove the Trust's external auditors.
- Receive the Trust's annual accounts, any report of the auditor on them, and the annual report.
- Give views on the Trust's forward plans.
- Approve (or not) any increase by 5% or more the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England.
- Hold the NEDs to account, individually and collectively, for the performance of the Board.
- Approve (or not) any proposal for merger, acquisition, separation or dissolution.
- Approve (or not) any significant transaction (as defined in the Trust's Constitution).
- To represent the interests of Foundation Trust members and the public as a whole.
- Approve (jointly with the Board of Directors) any amendments to the Trust's Constitution.

Further key functions for Governors are to:

- Act in the best interests of the Trust and adhere to its values and code of conduct.
- Feedback information about the Trust, its vision and its performance, to the members or stakeholder organisations that either elected or appointed them.
- Communicate with members and relay members' views to the Board.
- Develop and review the FT Membership Strategy, ensuring representation and engagement levels are maintained and developed in line with strategy.

How the Board of Directors and the Council of Governors work together

Governors are invited to attend all Board of Directors meetings held in public as observers as part of their ongoing engagement and development with the Trust generally and Board in particular. Two Governors sit on the Charitable Funds Committee. The Trust encourages its Governors to engage with the public and members by seeking their feedback on NHS services and promoting Trust membership. Governors are also encouraged to join relevant groups that can represent the patient voice (e.g. Patient Experience Group) and bring feedback and intelligence to the Board.

Governors are allocated time at each Board meeting to ask questions on behalf of members or to relay members' views to the Board. In addition, Governors are able to contact Trust officers outside formal meetings in relation to members' feedback and/or to ask questions. Governors also meet jointly with the Board every six months, to discuss areas of joint interest and promote closer

working arrangements. These joint meetings facilitate the Governors' duty to hold NEDs to account, individually and collectively, for the performance of the Board and provide NEDs with a medium for ascertaining and understanding Governors' and members' views. The Council of Governors met four times in 2022-23. NEDs are also able to attend formal Council of Governor meetings, Governor Committee meetings and membership events as additional opportunities to further these relationships. A Governor Development Day was held in October 2022, delivered by NHS Providers, which the majority of governors and NEDs attended.

In the event of a disagreement between the Council of Governors and Board of Directors, the Dispute Resolution process referred to in the Trust's Constitution (Annex 8) will be invoked.

During 2022-23, the Council of Governors had five committees/groups to progress various aspects of the Council's work:

- Council of Governors Nominations and Remuneration Committee – to review the Chair and NED's remuneration and succession planning of the Chair and NED roles. Further details of this Committee are set on page 42.

- Governor Steering Group – agenda setting for the Council of Governors meetings, Governor feedback and reviewing the composition of the Council of Governors.

- Governor Seminars – Three seminars were held in 2022-23 following the inaugural seminar in February 2022. These are open to all governors, to help improve their understanding of the Trust and its strategy; the role of governors, as well as engaging governors on topical issues affecting the Trust.

- Governor Staff Group – to enable Staff Governors to network together and to share specific feedback from the staff constituencies.

- Membership Engagement Group – Refreshed in March 2023. Its focus is to increase member and public feedback to the Trust about NHS services and to focus membership recruitment in underrepresented areas including BAME and children and young people. This is to ensure that the membership is more representative of the local community.

Council of Governors' Elections and Tenure

The Council of Governors consists of 28 Governors (15 Elected Public Governors, 5 Elected Staff Governors and 8 Appointed Governors).

Public and Staff Governors are elected in accordance with the Trust's Constitution Election Rules for terms of 3 years. The terms for Appointed Governors are 2 years.

Two vacancies existed for a period during 2022-23 with one resignation in February. The average number of Governors in office during the year was 26.

Elections were held in three Public constituencies and two Staff constituencies in February 2023. All seats were filled.

Attendance at Council of Governor Meetings 2021-22			
Members and Constituency		**Current Tenure**	**Attendance at Council of Governors**
PUBLIC GOVERNORS			**Number of possible attendances / 4**
Dave Collins	Adur	Commenced 01/04/22	2 (out of 4)
David McGill	Arun	Commenced 09/09/16 Term finished 08/09/22	1/1
Sandra Daniells	Arun	Commenced 01/04/21	1/4
Stella Benson	Brighton and Hove	Commenced 01/04/19 Re-elected 01/04/22	4/4
Zara Grant	Brighton and Hove	Commenced 01/04/22	2/4
Tanya Pertherick	Brighton and Hove	Commenced 01/04/22	3/4
Amber Villar	Crawley	Commenced 01/04/21	3/4
Craig Gershater	Chichester	Commenced 01/04/22	3/4
Alan Sutton	Chichester Lead Governor	Commenced 01/04/22 Appointed 01/07/22	4/4
Janet Baah	High Weald, Lewes and Havens	Commenced 01/03/20	3/4
Matthew Stubbs	High Weald, Lewes and Havens and Lead Governor	Commenced 01/04/22 Resigned 13/02/23	3/3
Lilian Bold	Horsham	Commenced 05/11/15 Re-elected 01/04/19 Re-elected 01/04/22	4/4
Sue Morton	Horsham	Commenced 01/04/22	2/4
Anne Jones	Mid Sussex	Commenced 01/04/21	2/4
Rebecca Cooper	Worthing	Commenced 01/04/21 Resigned 30/05/22	0/0
STAFF GOVERNORS			
Jessica Poulton	Allied Health Professionals including Therapists	Commenced 01/04/20	4/4
Harriet Clompus	Doctors and Dentists	Commenced 01/04/22	3/4
Ngaire Cox	Nurses and Healthcare Assistants	Commenced 05/11/15 Re-elected 01/04/19 Re-elected 01/04/22	4/4
Shingai Ngwenya	Nurses and Healthcare Assistants	Commenced 01/04/22	4/4
Anita Sturdey	Support Staff	Commenced 09/11/16 Re-elected 09/11/19	4/4

		Term extended 09/11/22 to 31/03/23	
APPOINTED GOVERNORS			
Rob Persey	Brighton and Hove City Council	Commenced 01/03/19 Reappointed 01/04/21	3/4
Pennie Ford	Clinical Commissioning Groups	Commenced 01/11/20 Reappointed 01/11/22	3/4
Andrew Baldwin	West Sussex County Council	Commenced 28/07/21	1/4
Eli Adie	Children and Young People	Commenced 01/04/22 Resigned 25/08/22	0/1
Grainne Saunders	Children and Young People and Deputy Lead Governor	Commenced 01/04/19 Reappointed 01/04/21	3/4
Ann Barlow	Volunteers	Commenced 12/03/20 Reappointed 01/04/21	4/4
Elaine Foster-Page	Volunteers	Commenced 01/04/19 Reappointed 01/04/21	3/4

Governors who left the CoG during the year	
David McGill	Arun
Matthew Stubbs	High Weald Lewes Havens
Rebecca Cooper	Worthing
Eli Adie	Children and Young People

Nomination and Remuneration Committees

The Trust operates two separate Committees to make recommendations with regard to the appointment and remuneration of Executives and NEDs.

Remuneration and Terms of Service for the Chief Executive and Executive Directors is considered by a Board of Directors Nominations and Remuneration Committee (BoD NRC). The Committee's members are the Non-Executive Directors of the Trust and the Committee is chaired by the Trust's Chair.

The BoD NRC met four times in the year. In August 2022 it reviewed the performance and remuneration of the Executive Directors. The BoD NRC's attendance record is set out below:

BoD Nominations and Remuneration Committee		
Name	Position	Meetings attended (out of a possible 4)
Peter Horn	Chair	4/4
Mandy Chapman	NED	0/0
David Parfitt	NED	4/4

Lesley Strong	NED	4/4
Mark Swyny	NED	3/4
Giles York	NED	4/4
Dipesh Patel	Associate NED	3/4
Rebecca Crook	NED	3/3

The Council of Governors (CoG) is responsible for determining the remuneration of the Chair and Non-Executive Directors, based on the recommendations of its Council of Governors Nominations and Remuneration Committee (CoG NRC). The CoG NRC comprises the Chair, Lead Governor, one further Elected Public Governor, one Appointed Governor and one Staff Governor. The Chief Executive, the Chief People Officer and the Trust Secretary are in attendance as required.

The CoG NRC met three times in the year and reported to the CoG after these meetings. In June 2022 it reviewed the performance of the Non-Executive Directors and in November 2022 it considered their remuneration. The CoG NRC also oversaw succession planning of two Non-Executive Directors as well as the recruitment of a new Chair. The CoG NRC's attendance record is set out below:

CoG Nominations and Remuneration Committee		
Name	Position	Meetings attended (out of a possible 3)
Peter Horn	Chair	3/3
Alan Sutton	Lead Governor	2/2
David McGill	Interim Lead Governor	1/1
Grainne Saunders	Deputy Lead Governor	2/3
Craig Gershater	Public Governor	2/2
Anita Sturdey	Staff Governor	3/3
Rob Persey	Appointed Governor	2/3

Remuneration Report

This presents information from 1 April 2022 to 31 March 2023.

Senior Manager Remuneration Policy

The Combined Code of Corporate Governance, the NHS Foundation Trust Code of Governance and NHS policy requires remuneration committees to ensure that the remuneration packages are sufficient to attract, retain and motivate directors of the quality needed to successfully manage the organisation, but to avoid paying more than is necessary.

To fulfil this requirement, the Executive Director's remuneration package is nationally benchmarked against comparable trusts. This is used to inform the deliberations and decisions of the Committee. All Nominations and Remuneration Committee meetings are formally minuted.

The table below describes the components which make up the remuneration packages of senior managers, and how these offer support for the short and long-term strategic objectives, how the component operates, the maximum payment, the framework used to assess the performance, performance measures, the performance period and the amount paid for the minimum level of performance.

	Basic Salary	Performance Related Bonuses	Pension Benefits
Support for long and short-term Trust objectives	Ensuring recruitment and retention of high quality senior managers	Payment based upon delivery of Trust objectives	Ensuring recruitment and retention of high quality senior managers
How the component works	Through monthly payments	Payment based on agreed criteria	Through monthly payments
Maximum payment	Equal to basic salary	Based on a maximum value of £45k to be shared between all Directors	Equal to basic salary
Framework used to assess performance	Appraisal process	Appraisal process	Appraisal process
Performance measures	Individual objectives agreed with Chief Executive	Individual objectives agreed with Chief Executive	Individual objectives agreed with Chief Executive
Performance Period	Financial year	Financial year	Financial year
Amount paid for minimum level of performance	Equal to basic salary, no performance related element	Zero	Equal to basic salary, no performance related element

Performance Related Bonuses (PRB) are not applicable for any Trust staff with the exception of Executive Directors. PRB for Executive Directors are decided in accordance with the Trust's Principles for Discretionary Payments to Executive Directors. There is a discretionary non-consolidated annual payment to those Executive Directors who meet the requirements set out in the Principles. No PRB were paid to Executive Directors in 2022-23.

Non-Executive Director Remuneration Policy

The Council of Governors (CoG) is responsible for determining the remuneration of the Chair and Non-Executive Directors, based on the recommendations of the CoG NRC.

In 2021-22 NED remuneration was aligned with NHSE/I's structure to align remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts. In June 2022 the CoG NRC noted that there was no new national guidance from NHS England for 2022-23 and, having considered levels of NED remuneration across the local system and more widely along with the need to recruit and retain appropriately qualified and skilled NEDs, recommended to the CoG an increase to basic NED remuneration of 3.5% which was agreed, which was broadly in line with that paid to staff on Agenda for Change across the NHS.

Pay Component	Description	Application
Chair basic pay	A spot rate salary of £45,472 p.a.	Trust Chair
Non-Executive Director basic pay	A spot rate salary of £13,455 p.a.	Five NEDS
NED Additional Responsibility allowance	£2,000 uplift p.a.	Senior Independent Director, Deputy Chair

Statement of Consideration of Employment Conditions Elsewhere in the Foundation Trust

The pay and conditions of other employees were taken into account when setting the remuneration policy for senior managers.

The Policy on Equality and Diversity used by the Nominations and Remuneration Committees

As an employer for, and a provider of, health services in Sussex, the Nominations and Remuneration Committees take the issues of fairness, rights and equality very seriously.

The Committees ensure that the equalities impacts of all policies and decisions are considered.

Policy on payment for loss of office

Notice of termination for Executive Directors is six months on either side. Any pay in lieu of notice for Executive Directors requires the approval of the BoD NRC.

Expenses of Governors and Directors

Total expenses for Directors paid in the year was £6,683 (£4,074 in 2021-22) and for Governors was £535 (£0 in 2021-22).

Expenses paid to Directors and Governors		
	Number Claiming (including directors who have now left post)	Total (£)
Directors	9	6,683

Governors	4	535
Total	13	7,218

Salary and Pension entitlements of senior managers

The following tables detail the salaries, allowances and pension benefits of directors and senior managers within the Trust. Senior managers are defined as those who have authority or responsibility for directing or controlling the major activities of the Trust. These managers influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.

Non-Executive Directors 2022-23

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Peter Horn (Chair)	45-50	600	0	0	0	45-50
David Parfitt	15-20	200	0	0	0	15-20
Lesley Strong	15-20	0	0	0	0	15-20
Mark Swyny	10-15	400	0	0	0	10-15
Giles York	10-15	0	0	0	0	10-15
Dipesh Patel	0*	0	0	0	0	0
Mandy Chapman (started 01/01/23)	0-5	0	0	0	0	0-5
Rebecca Crook (left 31/08/22)	5-10	0	0	0	0	5-10

* Dipesh Patel waived his remuneration of £6,500 for the Associate Non-Executive Director role.

Non-Executive Directors 2021-22

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Peter Horn (Chair)	40-45	300	0	0	0	40-45
David Parfitt	10-15	100	0	0	0	10-15
Rebecca Crook (started 01/10/21)	5-10	0	0	0	0	5-10
Lesley Strong (started 01/07/21)	10-15	0	0	0	0	10-15
Mark Swyny (started 01/07/21)	5-10	0	0	0	0	5-10
Giles York (started 01/10/21)	5-10	0	0	0	0	5-10
Dipesh Patel (started 01/09/21)	0*	0	0	0	0	0
Maggie Ioannou (left 30/09/21)	5-10	0	0	0	0	5-10
Stephen Lightfoot (left 30/09/21)	5-10	0	0	0	0	5-10
Janice Needham (left 30/06/21)	0-5	0	0	0	0	0-5
Elizabeth Woodman (left 30/06/21)	0-5	0	0	0	0	0-5

*Dipesh Patel waived his remuneration of £6,500 for the Associate Non-Executive Director role.

Executive Directors 2022-23

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Siobhan Melia*	45-50	0	0	0	15-17.5	60-65
Donna Lamb	125-130	0	0	0	20-22.5	145-150
Mike Jennings	175-180	0	0	0	45-47.5	220-225
Sara Lightowlers	190-195	0	0	0	0	190-195
Kate Pilcher	125-130	0	0	0	32.5-35	160-165
Ed Rothery*	85-90	0	0	0	77.5-80	165-170
Caroline Haynes	120-125	0	0	0	27.5-30	150-155
Diarmaid Crean	125-130	0	0	0	27.5-30	155-160

*Pro-rated for the period when they were an Executive Director at the Trust.

Executive Directors 2021-22

Name and title	(a) Salary (bands of £5000)	(b) Expenses payments (taxable) to nearest £100*	(c) Performance pay and bonuses (bands of £5000)	(d) Long term performance pay and bonuses (bands of £5000)	(e) All pension-related benefits (bands of £2500)	(f) TOTAL (a-e) (bands of £5000)
	£000	£	£000	£000	£000	£000
Siobhan Melia	190-195	0	0	0	57.5-60	250-255
Donna Lamb	120-125	0	0	0	75-77.5	195-200
Mike Jennings	155-160	0	0	0	52.5-55	205-210
Sara Lightowlers	180-185	0	0	0	0	180-185
Kate Pilcher	120-125	0	0	0	37.5-40	160-165
Caroline Haynes	115-120	0	0	0	70-72.5	190-195
Diarmaid Crean	120-125	0	0	0	27.5-30	145-150

Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce. These comparisons are based on the full-time equivalent (FTE) remuneration (i.e. part-time remuneration grossed up to full-time equivalent).

The mid-point of the banded remuneration of the highest paid director at the Trust in the financial year 2022-23 was £192,500 (2021-22 £192,500). This was 5.8 times (2021-22 6.1 times) the median remuneration of the workforce, which was £32,934 (2021-22 £31,534).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. In 2022-23 no (2021-22 no) employees received remuneration in excess of the highest paid director. Remuneration ranged from £17,422 to £190,286 (2021-22 £17,422 to £191,580).

The fair pay disclosure (ratio of highest paid director to average salary) is expanded to add a new requirement for entities to disclose the percentage change in remuneration for the highest paid director and for employees of the entity as a whole. There has been an increase of 4.4% of the median wage and a decrease of 0.7% in the wage of the highest paid director. The ratio between the remuneration of the highest paid director to employee's remuneration on the 25th (first or lower quartile) is 8.2 and 75th (fourth or highest quartile) is 4.6 (2021-22 these ratios were 8.8 and 4.9 respectively).

HM Treasury's implementation guidance for the Fair Pay disclosures (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040530/Hutton_Review_of_Fair_Pay_-_Implementation_guidance.pdf) states that "The calculation should include agency and other temporary employees covering staff vacancies, but exclude consultancy services. Only the remuneration paid to the employee should be included, not agency fees. An estimate may be appropriate to ascertain a reasonable split where this information is not available on entity payroll systems."

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

2022-23	25th percentile	Median	75th percentile
Salary component of pay	£23,177	£32,934	£41,659
Total pay and benefits excluding pension benefits	£23,177	£32,934	£41,659
Pay and benefits excluding pension: pay ratio for highest paid director	8.2	5.8	4.6

2021-22	25th percentile	Median	75th percentile
Salary component of pay	£21,777	£31,534	£39,027
Total pay and benefits excluding pension benefits	£21,777	£31,534	£39,027
Pay and benefits excluding pension: pay ratio for highest paid director	8.8	6.1	4.9

Pension Benefits

Name and title	(a) Real increase in pension at pension age (bands of £2500) £000	(b) Real increase in pension lump sum at pension age (bands of £2500) £000	(c) Total accrued pension at pension age 31 March 2023 (bands of £5000) £000	(d) Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5000) £000	(e) Cash equivalent transfer value at 1 April 2022 £000	(f) Real increase in cash equivalent transfer value £000	(g) Cash equivalent transfer value at 31 March 2023 £000	(h) Employer's contribution to stakeholder pension £000
Siobhan Melia*	0-2.5	0-2.5	60-65	105-110	917	13	1,026	0
Donna Lamb	0-2.5	0	55-60	165-170	1,210	32	1,297	0
Mike Jennings	2.5-5	0-2.5	45-50	70-75	676	34	754	0
Sara Lightowlers (Chief Medical Officer)	Joined the Trust on 1 August 2019 and opted out of the NHS pension scheme a month later							
Kate Pilcher	2.5-5	0-2.5	25-30	40-45	408	24	463	0
Ed Rothery*	2.5-5	2.5-5	40-45	40-45	496	56	604	0
Caroline Haynes	0-2.5	0	25-30	35-40	357	17	402	0
Diarmaid Crean	0-2.5	0	5-10	0	79	14	114	0

*Pension benefits are pro-rated for the period when they were an Executive Director at the Trust.

Cash Equivalent Transfer Value (CETV)

This 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

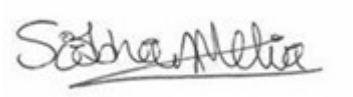
contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits 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 disclosure applies.

The CETV figures and 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.

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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed:



Siobhan Melia, Chief Executive
Date: 22 June 2023

Auditors and Audit Committee

Auditors

The Trust's auditors in the financial year 2022-23 were as follows:

- Internal Auditors: TIAA

The internal audit plan is risk-based and is prepared annually by the internal auditors in conjunction with the Executive Directors. The draft plan is then presented for review and agreement by the Audit Committee and any changes to the agreed plan in the course of the year requires the Committee's consent. The plan covers areas which are considered to be high risk or of concern as well as those that are a national requirement. The Audit Committee reviews the performance of internal audit. In addition, a clinical audit plan is prepared by the Trust for approval by the Quality Improvement Committee which is also reviewed by the Audit Committee.

- External Auditors: Grant Thornton

The Audit Committee receives regular reports from the external auditors and monitors their performance. If the external auditors are requested to provide non-audit services, this has to be in accordance with the Trust's policy for External Audit Additional Services and agreed by the Audit Committee and the Council of Governors. In 2022-23 the external auditor provided no non-audit services.

Audit Committee

The Audit Committee provides assurance to the Board of the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and reviewing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter-fraud and internal control across the whole of the Trust's activities, and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. It also receives regular reports from the external auditors, the internal auditors and the local Counter Fraud specialists.

The Audit Committee's remit encompasses elements of healthcare assurance, such as clinical audit, (although much of this work is undertaken by the Quality Improvement Committee) as well as the more traditional audit areas of finance and corporate governance. The Committee has regular meetings with both internal and external auditors without the presence of the Executive Directors.

The external auditors prepare and implement an annual work plan to review the financial management and reporting systems of the Trust and provide assurance that the annual accounts and supporting financial systems are operating effectively. They provide regular progress reports to the Audit Committee.

Internal auditors assist the Audit Committee by providing statements of assurance regarding the adequacy and effectiveness of internal controls. The Chief Financial Officer is responsible for implementing systems of internal financial control and advising the Audit Committee on such matters.

The Committee regularly reviews its own performance against its objectives agreed with the Board. In 2022-23 the Committee achieved its objectives particularly through agreeing audit programmes for the year and monitoring their implementation as well as regularly receiving and reviewing reports on the activities of both the internal and external auditors, and counter fraud.

At its meeting on 13 June 2023, the Committee considered the Annual Report and Accounts for the year ended 31 March 2023 and agreed that they contained no significant issues that required addressing under the terms of the UK Corporate Governance Code 2018.

Membership and Attendance of Audit Committee

Name	Position	Meetings Attended (out of a possible 6)
David Parfitt	Chair	6/6
Lesley Strong	NED	5/6
Mark Swyny	NED	5/6

Health and Safety

Responsibilities

The Chief Finance Officer is the executive lead for health and safety. During the year when the substantive Chief Financial Officer was the Interim Chief Executive, the Chief Nurse was the executive lead. The executive lead reports to the Chief Executive, Board, Quality Improvement Committee and People Committee. The Safety and Risk Manager is responsible for the management of risk, health and safety, and safety alert bulletins.

The Trust's Health and Safety Committee (HSC) meets quarterly to review the Trust's performance in regard to health and safety, and advises the Executive Committee and Board accordingly. The Committee submits an Annual Health and Safety Report to a public Board meeting, and copies of the reports are available to members of the public on the Trust's website. The Committee is supported by a number of specialist reporting groups, including the Medical Devices Group, Medical Gas Group, Radiation Protection Group and estates management groups for asbestos, electricity and water safety.

Training

All members of staff must complete regular health and safety training, as part of their induction and statutory training. The statutory training includes subjects such as lone working, display screen equipment (DSE), and fire safety. Bespoke training for managers is provided across the Trust, including those with line management duties and delegated responsibilities as per the Trust's Health and Safety Policy.

The Trust provides specific training on food hygiene, mental health first aid, patient handling, conflict resolution (both in person and via telephone/virtual calls), resuscitation, first aid, and risk management. The Trust's trainers use a range of teaching methods and tools including virtual and in person courses, patient handling and resuscitation dummies with real time digital feedback, workbooks, virtual drop-in sessions for questions and answers, mock arrests, train the trainer and simulated scenarios. All training has defined refresher periods, so that staff remain up-to-date with safe working practices. Attendance rates are monitored through Electronic Staff Record (ESR) and reviewed at the Trust's governance groups and committees.

Developments

The Trust's Health and Safety team undertake regular audits across relevant areas of the Trust, responding to operational risks and pressures, to provide assurance to the HSC and escalate risks as and when required. The findings from audits are reviewed alongside incident data and updates from specialist leads across the Trust to inform the HSC's annual work plan and objectives.

During 2022-23 the key areas of focus for the HSC were to:

- Support the improvement of staff welfare arrangements.
- Roll out a cloud-based system for all health and safety and DSE risk assessments, supporting agile working.
- Implement NHS England's Violence Prevention and Reduction standard, working across the ICS with other providers, introducing a public health approach to protect staff from abuse.

Information Governance

Information Governance (IG) ensures necessary safeguards for, and the appropriate use of, patient and personal information. The Board ensures that all information used for operational and financial reporting purposes is encompassed by, and evidence maintained of, effective information governance processes and procedures with risk based and proportionate safeguards. To demonstrate compliance with the UK General Data Protection Regulations; the Data Protection Act 2018 and relevant information governance guidance, the Trust needs to be able to demonstrate that:

- Information governance policies and procedures are understood by all relevant staff and are operating in practice.
- Reliable incident reporting procedures are in place, with appropriate follow-up.

- There have been no material breaches in data security (including personal data in transit) resulting in actual data loss.
- Risk assessments are undertaken and updated on a regular basis.
- Proper levels of security and access controls operate.
- A Data Protection Officer, with appropriate access to the Board including the delivery of periodic reports on governance issues, is in post.

The submission date for the 2022-23 Data Protection and Security Toolkit is 30 June 2023. At the date of this report, the Trust is on track to achieve all mandatory evidence items.

In 2022-23 the Trust reported two serious information governance incidents to the Information Commissioner's Office (ICO). The first incident was reported on 11 April 2022 to the ICO regarding a report containing sensitive personal information being shared with another NHS organisation without the patient's knowledge. Due to the follow-up actions put in place by the Trust afterwards, the ICO subsequently closed the incident on 11 June 2022 with no further action required. The second incident was reported on 5 October 2022 to the ICO regarding inappropriate access to a patient record. A full investigation followed and the ICO confirmed on 11 February 2023 that the Trust had managed the incident appropriately and no further action was required.

The Trust also reported 794 other IG related incidents (in 2021-22 it reported 765 IG related incidents). The top five incident categories for the Trust are:

Incident Category	Number
Patient information sent incorrectly/inappropriately	165
Patient documentation misfiled	79
Breach of patient confidentiality	63
Patient information received incorrectly/inappropriately	61
Patient documentation inadequate/illegible/incorrect/wrong	60

All incidents are taken very seriously, they are followed up and awareness is raised across the Trust to staff, and all serious incidents are reported to the Board.

NHS System Oversight Framework

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

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

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

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

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions. At 31 March 2023 the Trust was in segment 1. Current

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

Staff Report

Workforce

The Trust values its people and recognises that they are its greatest asset. The overall workforce aim is to develop staff, give them clear career pathways, provide them with the leadership, skills and knowledge they need to deliver the care patients need now and in the future; to support their wellbeing and to recognise and value their diversity and support inclusion.

The workforce and the needs of patients are changing and, consequently, so is the way care is delivered. Shortages of clinical staff nationally, an older workforce and changes to education pathways means that the Trust's workforce profile is evolving. Pressures in secondary and social care and the emergence of new ways of working in response to the pandemic, the post-pandemic environment and the creation of the new ICB is accelerating change.

The Trust's new People Strategy 2023-26, approved by the Trust Board in January 2023, describes the pathway to create the workforce needed to continue to deliver the Trust's vision of excellent care at the heart of the community. It sets out the strategic workforce priorities and the approaches taken to deliver them. It builds on the culture of innovation and continuous improvement, of openness and transparency, and of collaborative leadership grounded in its values. In addition, the strategy builds on the Trust's strong foundations as a good employer and its values. The People Strategy is key to the delivery of the Trust's Strategy.

The People Strategy supports delivery of the Trust goal "A great place to work" with a commitment that it will attract new recruits, that its people will speak positively about the opportunities for learning and development they have had, how their wellbeing is always prioritised and that they have a true sense of belonging.

The strategy builds on the success of the previous strategy, developing further work already in progress, and supports the Trust's aspiration to be a great place to work and its ambitions to halve the number of leavers and to recruit 100 clinical apprentices. The strategy is based on four key drivers that will help retain and engage with its people and attract and recruit new staff:

- Welcoming - Offer attractive jobs and the Trust will represent the whole Sussex community.
- Agile - Create new roles that focus on the skills, values, tasks and competencies to complement existing roles.
- Belonging - People will be proud to work for the Trust, living and experiencing its values every day.
- Learning - Offer clear career pathways to new and existing staff and actively encourage a 'learning for all' approach.

The Trust is aware that people may feel differently about what they need from work and that flexibility is very important. Work-life balance is the main reason given for people leaving. Flexibility is more than when and where people work; it is about offering different roles and new routes into careers and recognising that work with the Trust may complement other parts of someone's life – as a carer, in another role, or volunteering in the community for example. A worldwide study (Gartner 2021) showed that since the beginning of the pandemic, 67% of employees have increased expectations for working flexibly.

As an organisation working across a large geography the Trust takes its environmental responsibility seriously. The People Strategy complements the Trust's Green Plan by enabling staff to improve travel choices, to use resources effectively and seek greener alternatives.

The NHS People plan focuses on the NHS being a better place to work, as well as on collaboration at system level. The Trust's People Strategy is aligned to the national objectives and the Trust will continue to work with partners on key workforce issues affecting the NHS locally.

The Trust is excited to put its new People Strategy into practice over the coming years to ensure everyone is able to thrive. The delivery of the strategy will be reported to and monitored by the Trust Board through the People Committee.

Workforce vision

The Trust is proud of the care provided to its patients and its pivotal role in the health and care system. Its vision is to be the best place to work for staff whether they are already employed by the Trust, are starting their career in the NHS or are looking for a role that will fulfil their professional ambitions and meet their personal aspirations.

To help retain staff a Job Options support service was launched in 2021-22. It enables staff to have discussions with an impartial colleague if their current role is no longer right for them, and to help them look at alternative opportunities within the Trust, instead of leaving.

The Trust continues to monitor its performance against other NHS trusts, through the national staff survey. In addition, it will continuously review what it does, what has worked and has not worked well encouraging staff feedback, and what improvements and innovation will help in the future. The Trust will monitor workforce indicators to measure its performance against targets and will continue to celebrate success.

Staff engagement

The organisation's performance in major communications and engagement campaigns has continued to improve, indicating an increasing level of staff engagement. This includes:

- The staff engagement score in the 2022 NHS Staff Survey remained high.
- All staff were supported to get their COVID-19 vaccines including booster as soon as possible.
- Health and wellbeing continued to be a major focus. Teams and individuals were supported to access tailored and relevant support appropriate for their specific needs.
- The staff flu vaccination programme achieved 96% of all staff (this excluded staff who refused the vaccine). In 2021-22 it was 73% of all staff, however, it did not exclude staff who had refused the vaccine.

Equality and diversity

As an inclusive employer, the Trust is committed to making sure equality of access to employment, career development and training, and the application of human rights for all staff.

This approach is set out in the Trust's equality and diversity policy, which gives full and fair consideration to disabled applicants and continuing support to staff who become disabled.

The Trust's Equality, Diversity and Inclusion Executive Steering Group continues to meet regularly and looks at staff equality, population health and patient experience.

As part of planned Non-Executive Director recruitment in February 2021, two of the five appointed candidates who started with the Trust in 2021-22 are from black, Asian and ethnic minorities (BAME).

The Trust's Equality and Diversity work has included reviewing processes and support for staff requiring appropriate reasonable adjustments, reciprocal mentoring, promotion of the use of

pronouns on badges and email signatures, and hidden disabilities sunflower training across the organisation.

The Trust supports staff to undertake equality and diversity training. Equality, diversity and inclusion is embedded into Trust policies.

Staff networks promote the needs of, and support staff from a BAME background, LGBTQ+, disabled and those who have religious beliefs.

The Trust is proud to have been awarded the highest possible Disability Confident status - Level 3: Disability Confident Leader in August 2021. The Trust continues to work with its partners and its people to make sure it maximises every opportunity to build the best and most diverse workforce possible.

NHS Staff Survey 2022

The national NHS staff survey is conducted annually. Since 2021 the questions in the NHS Staff Survey are aligned to the NHS People Promise. This sets out, in the words of NHS staff, the things that would most improve their working experience, and is made up of seven elements. In support of this, the results of the NHS Staff Survey are now measured against the seven People Promise elements and against two of the themes reported in previous years (Staff Engagement and Morale). The reporting also includes new sub-scores, which feed into the People Promise elements and themes.

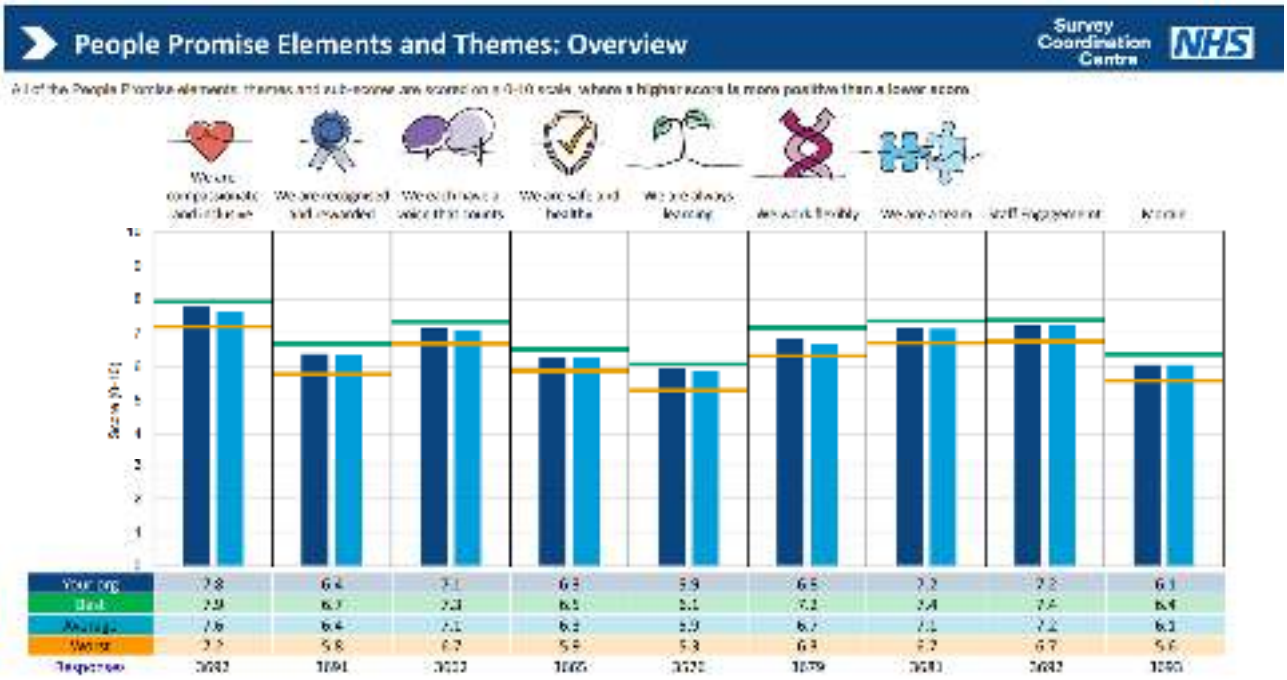
In 2022 3,702 staff responded, representing 71% of the total workforce. The response rate decreased by 2% from 2021 which was the highest ever reported. The results showed that:

- 81% of people said care is the Trust's top priority.
- 78% would recommend the care the Trust provides to family or friends.
- 69% would recommend the Trust as a place to work.

The results show that in comparison with 2021, the Trust performed well and maintained or improved its scores in most areas. These scores have been benchmarked against the other 15 community trusts in England and in comparison, the Trust remains average or above average for all seven NHS People Promise elements and the two themes. The results also compare well with other providers from the Sussex ICS where the Trust scored either first, or second, across each of the seven elements of the NHS People Promise.

Looking ahead, the Trust is committed to making career development, education and learning opportunities more widely available and accessible for all staff in response to the survey results while further enhancing staff support and wellbeing. Staff Survey results indicate that the organisation continues to maintain a positive position both in comparison with other community trusts and when measured against results from previous years. The Trust will build on the work of previous years recognising that this is a continuous process. It will remain attentive to feedback and measures of staff experience to continue to improve the quality of services and to support delivery of the Trust's goal "A Great Place to Work."

Question-level results are reported as percentages; the meaning of the value is outlined along the axis. Summary measures and sub-scores are always on a 0-10 point scale where 10 is the best score attainable. See overleaf the 2022 Staff Survey indicator scores:



NHS Staff Survey 2021 indicator scores

NHS Staff Survey 2020 indicator scores

Employee health and wellbeing

The Trust has a number of schemes in place to incorporate and develop a culture of wellbeing.

Activities this year included:

- The Ideas Forum – a supportive environment where staff can share their initiatives and get the help they need to make things happen.
- Regular all staff webinars led by the Executive team. Feedback from staff was encouraged including things that they were proud to share.
- In October everyone at the Trust was encouragED to play their part in speaking up, and listening up to support Freedom to Speak Up month.
- People's Pulse survey continued three times in the year which provides another opportunity for staff to get their voice heard in additional to the annual NHS Staff Survey. The feedback helps the Trust to make changes that improve the working lives of staff and the care it provides to patients.
- Held a series of wellbeing and inclusion webinars to discuss how to support people with stress in the workplace, attended by the Trust Chair as Wellbeing Guardian.
- Healthy Teams Resource continued to be promoted to help managers learn more about how to use the resource to support, develop and encourage their teams.
- Health and Wellbeing Passport is designed to strengthen health and wellbeing conversations between members of staff and their line managers. It can record flexible working arrangements, details of disabilities and health conditions, and any reasonable

adjustments that are in place or being implemented, all in one place. The passport is now part of the annual Performance Development Review (PDR) process.

- Support for women going through the menopause and perimenopause. The Trust marked World Menopause Day which included a blog from the Chief People Officer reflecting on her personal experiences. A virtual conference and surveys took place to raise awareness and to talk openly to improve knowledge and understanding. A menopause policy and a suite of resources continue to be launched to help improve the working lives of women across the Trust.
- Christmas Carol Service took place in December at Chichester Cathedral. All staff were welcomed to attend in person or watch virtually, regardless of their faith. The traditional service featured readings and carols, led by the Trust choir.
- Access to dyslexia pathways for both staff and managers (and can be adapted for dyscalculia and dyspraxia).
- Continued promotion of the Trust's staff benefits.
- Development of new staff intranet, streamlined content and improved search functionality and user experience.
- Promotion of 24/7 health and wellbeing app.
- SalaryFinance to help staff with financial wellbeing.
- Access to PhysioMed for staff with musculoskeletal conditions.

Staff Benefits

The Trust provides a number of benefits to its staff, including:

- Staff Awards held in person in November – an amazing night of celebration that included thirteen award categories and recognised staff who had dedicated many years of their career to the NHS.
- The 'MyTrust Benefits' website which gives national and local discounts.
- Support to parents and carers of children including information about the Trust's three nurseries. Information is made available on childcare vouchers and childcare information.
- The Trust provides regular retirement seminars to help staff plan their life after retirement, ensuring that their wellbeing continues with life after work.
- Sessions are held with new starters to understand their experiences and to identify and address any issues that arise. This helps identify the key areas which need improving so that the Trust can improve recruitment and retention.
- Cycle to Work, car lease and electronics schemes are available.

Staff Communications

To strengthen staff engagement, the Trust continues to improve the way it communicates with all its staff and promotes a good dialogue between staff and the senior team. The Trust's engagement with staff includes:

- The intranet as the Trust's main day-to-day communication tool, with real-time information published to help support staff. This has been extensively developed during the year.

Content has been reviewed, rewritten and is now hosted on a new user-friendly platform. It is regularly updated to provide staff with the latest information and is updated following staff feedback.

- Themed briefings sent to senior managers to support them and their teams during seasonal outbreaks, business continuity, strikes and other events.
- The use of social media including Facebook, Twitter and LinkedIn to receive information and engage with the Trust.
- Many staff Facebook groups, hosted by the Trust, with actively engaged members.
- Information provided in various formats including short videos, live streams, text etc.
- Weekly message from the Chief Executive, linking what's going on within the Trust, locally across Sussex and the national picture.
- Fortnightly Team Talk which sets out Trust priorities and key news for managers to deliver with their teams. Managers also use this tool to raise and discuss local issues and can provide feedback to the senior team.
- Livestreaming of Board meetings held in public, with the option for people to submit questions at the meeting or in advance.
- Service visits by members of the Board with a member of the Council of Governors in attendance take place regularly across the Trust, in person and online.
- Communications that can be accessed by all, continuously improving accessibility, for example, people with hearing impairments and learning disabilities.

Development of its people

The organisation offers a range of leadership opportunities for all levels of leaders including courses, coaching and mentoring. All staff have access to regular supervision and an annual personal development review (PDR). Support is also available to develop teams.

The Trust is committed to strengthening the skills of its leaders by:

- Providing leadership masterclasses. These are a combination of theory, engagement opportunities with the Chief Executive/Executive Directors and practical discussion with peers about leadership challenges.
- Holding manager skills weeks (held in October and March/April) providing a series of webinars to develop skills.
- Delivering a general manager programme to build skills, knowledge and experience.
- Promoting coaching and mentoring as a key development opportunity and developing a coaching and mentoring community within the Trust.
- Reviewing the internal leadership development offer which includes leadership development programmes for leaders at different levels and subject specific programmes e.g. supervision, HR management programmes, coaching skills, assertiveness and resilience.

- Recognising leadership potential in all staff and encouraging staff to have conversations at their PDR about their aspirations and potential.
- Offering tailored support to teams with specific needs, for example, teams where there has been significant change.

Freedom to Speak Up Guardian

Enabling and supporting staff to speak up about a concern that they have at work is vital because it helps keep patients and staff safe, whilst helping the Trust to continuously improve how it cares for patients, their families and carers, and staff.

A dedicated Freedom to Speak Up Guardian with the Trust's Speak Up Ambassadors work alongside leadership teams to support the Trust to promote an open and transparent place to work, where all colleagues are actively encouraged and enabled to speak up safely. The Freedom to Speak Up team were successful in winning the Health Services Journal Award (HSJ) award for Freedom to Speak Up team of the Year, Entry title: 'Caring for our Speak Up Ambassadors, Improving our Speak Up Culture'.

The Trust was ranked joint eighth in the national Freedom to Speak Up (FTSU) Index, the second year the organisation was in the top ten. This demonstrates the continued improvement in staff being able to speak up and in the overall culture at the Trust.

Listen Up training is delivered to managers. It focuses on listening to concerns, understanding the barriers to speaking up and advises how managers should respond when someone speaks up to them.

Recruitment

The Trust continued its recruitment campaign during the year. It focused on attracting nurses, healthcare assistants and allied health professionals to join the Trust's various teams across Sussex. Photographs of staff feature in the campaign and included their experiences of working for the Trust. Regular social media posts are made on the Trust's social media platforms to promote individual jobs.

Apprenticeships

81 colleagues at the Trust (33 in 2021-22) were being supported to undertake an apprenticeship course to develop their skills and knowledge.

Dare to Dream

A programme introduced at the Trust in 2021-22 to support young people in the community to gain work experience and to consider a career in the NHS.

Overall staff numbers

The Trust employs in the region of 5,500 staff who work either full-time or part-time. The table below sets out the average staff numbers for 2022-23 using whole time equivalent (WTE) for a 37.5 hour working week. The total number of staff employed using WTE was 4,706, consisting of 4,574 WTE permanently employed staff and 114 WTE temporary staff. In 2021-22 the total number of staff employed using WTE was 4,900, consisting of 4,780 WTE permanently employed staff and 120 WTE temporary staff.

Staff Group	2022-23 Total Number	2022-23 Permanent Number	2022-23 Other Number
Medical and Dental	92	69	24
Ambulance staff	0	0	0
Administration and Estates	1,030	1,018	11
Healthcare Assistants and other support staff	1,237	1,184	53
Nursing, Midwifery and Health Visiting staff	1,433	1,403	30
Nursing, Midwifery and Health Visiting learners	34	34	0
Scientific, Therapeutic and Technical staff	857	844	13
Healthcare Science staff	21	21	0
Social Care staff	0	0	0
Other	0	0	0
Total average numbers	**4,706**	**4,574**	**132**
Of which			
Number of employees (WTE) engaged on capital projects	**53**	**51**	**2**

Staff Costs

Staff Costs	Permanent £000s	Other £000s	Total £000s
Salaries and Wages	177,457		177,457
Social Security Costs	17,392		17,392
Apprenticeship Levy	845		845
Employer's contributions to NHS pensions	35,174		35,174
Employer's contributions to NHS pensions paid by NHSE	9,448		9,447
Pension Cost - other	57		57
Temporary Staff		8,464	8,464
Total Gross Staff Costs	**240,373**	**8,464**	**248,837**
Of which			
Costs capitalised as part of assets	**2,258**		**2,258**

Gender distribution of our staff (as at 31 March 2023)

Headcount (primary assignments only)					
Category	**Total**	**Female**	**Percent (%)**	**Male**	**Percent (%)**
Executive directors	7	4	57.14	3	42.86
Other senior managers (Agenda for Change bands 7-9 and senior medical and dental staff)	1,377	1,116	81.05	261	18.95
All other employees	4,039	3,497	86.58	542	13.42
Total	**5,423**	**4,617**	**85.14**	**806**	**14.86**
Full time equivalent (FTE)					
Category	**Total**	**Female**	**Percent (%)**	**Male**	**Percent (%)**
Executive directors	7.0	4.0	57.14	3.0	42.86
Other senior managers (Agenda for change bands 7-9 and senior medical and dental staff)	1,143.78	888.64	77.69	255.15	22.31
All other employees	3,249.80	2,754.35	84.75	495.45	15.25
Total	**4,419.11**	**3,681.53**	**83.31**	**737.58**	**16.69**

Gender pay gap

The Trust's gender pay gap information can be found online at: https://gender-pay-gap.service.gov.uk/employer/AJxxNWrJ

Staff Sickness

For information on staff sickness please visit this website: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Use of Agency and Bank Staff

In 2022-23, the use of agency staff increased slightly, compared with 2020-21, against a backdrop of delivering new and expanded services and additional inpatient beds. The Trust remains committed to reducing the number of agency staff as this is better for patient care and helps to reduce costs. Recruiting and retaining a high quality and motivated workforce remains a key challenge and priority for the Trust.

The Trust seeks to minimise the use of agency staff by investing in, and making the best use of, its in-house bank, Staff Direct. The overall use of temporary workforce (including agency, bank and locum costs) as a percentage of the total pay bill was 11%. This compares with 12% of the total pay bill in 2021-22.

Expenditure on Consultancy

The Trust spent £299k on external consultancy in 2022-23. This compares to £144k in 2021-22. The Trust aims to keep spend on external consultancy to a minimum but will commission their work if there is insufficient capacity within the current workforce and/or due to a lack of specialist skills and expertise.

Off Payroll Engagements

As an organisation subject to HM Treasury Guidance *'Managing Public Money'*, the Trust has a responsibility in safeguarding public interest.

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

The Trust is committed to tackling tax avoidance and demonstrates a high level of scrutiny around tax arrangements of appointees in the Trust.

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

- Board members.
- Senior officials with significant financial responsibility.
- Engagements of more than six months in duration, with a daily rate of over £245.

The table below relates to all off-payroll engagements at 31 March 2023, of over £245 per day and that lasts for longer than six months:

	Number
Number of existing engagements as of 31 March 2023	2
Of which the number that have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	0
For between two and three years at the time of reporting	0
For between three and four years at the time of reporting	0
For more than four years at the time of reporting	2

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

The table below relates to all off-payroll appointments engaged at any point between 1 April 2022 and 31 March 2023, and earning more than £245 per day:

	Number
Number of off-payroll workers engaged between 1 April 2022 and 31 March 2023	0
Of which:	

Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0
Number of engagement where the status was disputed under provisions in the off-payroll legislation	0
Of which: number of engagements that saw a change to IR35 status following review	0

The table below relates to any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

	Number
Number of off-payroll engagements of board members, and/or, senior officers with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure includes both off-payroll and on-payroll engagements	15

Exit Packages

Exit packages for the year totalled £44k for nine members of staff – see below:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000		8	8
£10,000 - £25,000		1	1
£25,001 - £50,000			
£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total Number Exit Packages by Type		9	6
Total Resource Cost (£000)		44	44

2021-22

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000		8	8
£10,000 - £25,000			
£25,001 - £50,000			

£50,001 - £100,000			
£100,001 - £150,000			
£150,001 - £200,000			
>£200,000			
Total Number Exit Packages by Type		8	8
Total Resource Cost (£000)		33	33

The next two tables show the number of non-compulsory departures which attracted an exit package in the year:

2022-23

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	9	44
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval*		
Total	9	44
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary		

2021-22

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	8	33
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval*		
Total	8	33
Of which: non-contractual payments requiring HMT approval made to individuals		

where the payment value was more than 12 months of their annual salary		

Joint Consultative and Negotiating Committee

The Trust is committed to working together with Staff Side (including Trade Union Representatives and volunteers including Union Stewards, Workplace Contacts and Health and Safety Representatives) and Trade Unions.

Staff Side, unions, colleagues and senior managers from the Trust attend the bi-monthly Joint Consultative and Negotiating Committee (JCNC) meetings to discuss service, staff and organisational issues.

Shortly after each meeting, three key messages from JCNC are shared with all colleagues.

Trade Union Facility Time

Below is information about trade union facility time at the Trust:

Relevant union officials

Number of employees who are relevant union officials during the relevant period	Full-time equivalent employee number
30	4,419.11

Percentage of time spent on facility time

Number of employees who are relevant union officials and how much of their working hours was spent on facility time.

Percentage of time	Number of employees
0%	12
1-50%	15
51-99%	0
100%	3

Percentage of pay bill spent on facility time

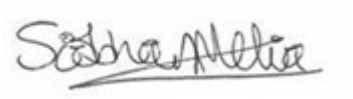
	Figures (1,000s)
Total cost of facility time	69
Total pay bill	248,800
Percentage of total pay bill spent on facility time, calculated as: (Total cost of facility time / Total pay bill) x 100	0.03%

Paid trade union activities

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

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x100	100%

Signed:



Siobhan Melia, Chief Executive
Date: 22 June 2023

Statement of the Chief Executive's responsibilities as the Accounting Officer of Sussex Community NHS Foundation Trust

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

NHS England, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Sussex Community NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sussex Community NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

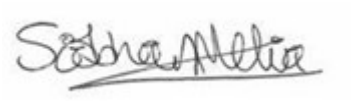
- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and;
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in *NHS Foundation Trust Accounting Officer Memorandum*.

Signed:



Siobhan Melia, Chief Executive
Date: 22 June 2023

Annual Governance Statement

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a robust system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, while 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 making sure the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

In the delivery of my responsibilities and objectives, I am accountable to the Board and my performance is reviewed regularly and formally by the Chair on behalf of the Board. During 2022-23, the organisation routinely reported on financial, operational and strategic matters.

2. 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 Sussex Community NHS Foundation Trust (SCFT), 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 SCFT for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Chief Medical Officer is the executive lead for risk management and is supported in this by the Safety and Risk Manager and the Trust Secretary. The Trust has a Trust-wide Clinical Governance Group, which reports to the Executive Committee and the Quality Improvement Committee. The Board and Audit Committee receive regular reports on the key risks facing the organisation and the Board regularly reviews the Board Assurance Framework (BAF), which contains a risk assessment against the Trust's strategic objectives. The Risk Management Strategy and Policy are updated and reviewed by the Board on a regular basis. The current strategy sets out the Board's requirement that a systematic approach to identifying and managing risks and hazards is adopted across the Trust and that systems are in place to mitigate those risks where possible. The strategy also stipulates that it is essential that all Trust staff are made aware of and have an understanding of the procedures in place to identify, assess, monitor and reduce or control risk. Risk management training is included in all induction programmes and in key development courses. The Board receives risk management training.

The Trust's approach to risk management is proactive and involves the following:

- Identifying sources of potential risk and proactively assessing risk situations.
- Identifying risk issues through serious incidents, adverse incidents, near misses, complaints and claims, the business cycle, and internal and external review reports.
- Investigating and analysing the root causes of risk events.
- Undertaking aggregated root cause analysis (considering risk events, complaints, claims and RIDDOR (reporting of injuries, diseases and dangerous occurrences regulations) data.

- Taking action to eliminate or at least minimise harmful risks.
- Monitoring the delivery and effectiveness of actions taken to control risk.
- Learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the Trust and externally, when this would be beneficial.

The Trust has adopted a coordinated and holistic approach to risk and does not differentiate the processes applied to clinical and non-clinical issues. Common systems for the reporting, identification, assessment, evaluation and monitoring of risks have been developed within the Trust and apply to all risk issues, regardless of type.

The Trust involves its public stakeholders in managing risk in various ways including regular contract meetings with the Integrated Care System (ICS) and other commissioners to review performance against and risks relating to delivery of the contract, attendance at local Health Overview and Scrutiny Committee meetings and system working with other local and regional healthcare providers to shape optimum care pathways and mitigate risks associated with financial, safety and/or estates matters. This is in addition to engagement with governors, public and patients on key strategic decisions and any proposed major changes in service delivery.

4. The risk and control framework

As Accounting Officer, I have overall responsibility for risk management. Specific responsibilities are delegated to senior managers throughout the Trust. The Board oversees risks, establishes a risk appetite for high level risks on a risk by risk basis and encourages proactive identification and mitigation of risks.

The current Risk Management Strategy and Policy was ratified by the Board in January 2021. The policy describes the Trust's risk appetite and the approach to managing and tolerating risks. The effective implementation of the strategy enables the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk.

The risks identified through the risk management process that have a significant impact on the ability of the Trust to deliver its strategic goals are documented in the BAF. During 2022-23 there has been a continued focus to improve the level of assurance provided through the BAF.

Risk management is a core component of job descriptions within the Trust. A range of risk management training is provided to members of staff, on induction and throughout employment, and there are policies and procedures in place which describe roles and responsibilities in relation to the identification, management and control of risk, along with the processes of escalation and de-escalation to be followed. All relevant risk policies and procedures are available to colleagues on the Trust's intranet.

Risk identification, prioritisation, mitigation or elimination occurs through assessment and grading using a nationally recognised matrix of impact and likelihood. Incident reporting is a factor in the ongoing assessment of risk and results in the instigation of changes in practice. Complaints and other feedback from users and stakeholders are also used.

The Trust learns from good practice through a range of mechanisms including clinical supervision, continuing professional development, clinical and process audit and application of evidence-based practice. At the heart of the Trust's Risk Management Strategy and Policy is the desire to learn from events and situations to continuously improve quality of care.

In May 2022 the Trust stood down its COVID-19 Incident Management team following direction from the regional Incident Management team. However, the NHS across England remains in a level three incident response in relation to its ability to continue to provide services in the face of

any disruption. The national and regional incident response infrastructure remains in place and the Trust continues to monitor updates to national COVID-19 guidance and the impact of the virus on its services. The wider incident management process at the Trust, including the cascade of information from the Regional Incident team, remains active and the Emergency Planning team continues to be the gateway for this information.

Well-led

The Trust Board is accountable for all aspects of performance and governance of the organisation. The Board conducts its affairs in such a way as to build patient, public and stakeholder confidence that the Trust is providing high quality, sustainable care. The role of the Board is to set strategy, lead the organisation, oversee operations, and to be accountable to stakeholders in an open and effective manner.

The Trust has in place a range of policies, processes and structures which support the effective oversight of the organisation and ensures that the Board receives appropriate, robust and timely information in support of its leadership of the Trust.

In line with good governance practice, the Trust commissioned ConsultOne (the consultancy arm of AuditOne, a wholly owned NHS not for profit membership organisation hosted by Cumbria, Northumberland, Tees and Wear NHS Foundation Trust) to undertake a well-led review of leadership and governance. The review, which took place during January to March 2023, will inform further targeted development work to secure and sustain the Trust's future performance as part of continuous improvement.

ConsultOne reviewed the Trust against all the well-led framework's domains and new well-led quality statements to assess holistically the Trust's leadership and governance across all aspects of quality, operations and finance. The review included document review, interviews with Board members and other key members of staff as well as governors and external stakeholders, focus groups and surveys, and meeting observations at Board, Committee and area management meetings.

The well-led review will conclude with a presentation of the review findings and recommendations to the Board and the agreement by the Board of a prioritised action plan, to take place in summer 2023.

Trust Strategy and Quality Improvement Plan

During 2018-19 the Trust engaged with various stakeholders including staff, patients/service users, partners and commissioners and developed its three-year Trust Strategy (2019-22). It had also considered key themes arising from national strategies relevant to people who use its services, for example, the NHS Long Term Plan and NHS Five Year Forward View 2017. The Trust is currently developing its new three-year Trust Strategy (2022-25) and is undertaking engagement activities with its stakeholders.

The Trust will achieve its quality priorities through the monitoring and implementation of its Quality Improvement Plan, with additional annual metrics (developed in conjunction with stakeholders) which will feature in the Trust's Quality Account. A new Quality Improvement Plan was launched in 2022-23 which focused on patient falls, improved engagement with children, young people and their families, community rehabilitation, nutrition and hydration, high level reports, Care Quality Commission socialisation and national Commissioning for Quality and Innovation (CQUIN) performance, to support continuous improvement.

The Board has in place supporting strategies which support the on-going delivery of the Trust's objectives as set out in its three-year strategy.

Internal functions and structures for monitoring and managing performance and escalation

Quality and Performance Management Frameworks

The Quality Governance Framework sets out the clinical governance structures through which quality and risk monitoring and escalation take place.

Quality governance groups translate national policy, recommendations and requirements into Trust policies, procedures and standards which are delivered across the Trust's services and functions.

The Trust-wide Governance Group (TWGG) receives reports from the quality governance groups and monitors progress on quality and risk issues, escalating items that require executive oversight to the Executive team and providing assurance to the Quality Improvement Committee.

In 2022-23, the Trust established a separate Clinical Advisory Group (CAG), with the same reporting lines as TWGG. As a forum for collective clinical engagement, ownership and leadership, the CAG advises on the strategic direction and delivery of clinical strategies/workstreams and provides assurance on the delivery of these, as well as providing a clinical view and recommendations on emerging issues and risks.

Performance is managed through clinical operational and corporate functional lines which oversee the setting and delivery of key performance indicators and other measures.

In each area, Area Governance and Area Performance meetings monitor and assure quality and governance at an area level as well as identifying operational issues which may impact on quality and risk. These two meetings report to an Area Finance, Performance and Quality meeting; chaired by an Area Director and supported by an Assistant Director of Nursing. This enables the alignment of operational and clinical governance. The Chief Operating Officer is represented by an Area Director at TWGG and Area Heads of Nursing and Governance provide another link between Area Operations and TWGG. This was strengthened in 2022-23 by a new role that was created – Area Heads of Allied Health Professionals and Governance.

A monthly Executive Finance, Performance and Quality Meeting (FPQ) is chaired by the Chief Executive. The Area Directors present key performance information and discuss issues and problem solve with the whole Executive team.

The interface between the quality governance structures and performance management structures is maintained from service level, through the Areas and to the Executive team. This ensures that issues escalated through each are triangulated and addressed at an appropriate level or escalated as necessary.

Escalation by Exception

The Trust promotes an approach to escalation based on the assessment of all aspects of performance against a range of national, local and internal Trust targets. Some of these standards, for example Trust targets for sickness or appraisal, are applied uniformly across all Trust services and functions. In addition, some targets are unique to individual services, whilst others are applied to an entire service or Area.

Other sources of information to support the identification of issues and concerns

Executive and Non-Executive service visits

Executive and Non-Executive Directors, accompanied on occasions by a member of the Council of Governors, conduct a rolling programme of visits across the Trust, including clinical areas. These visits enable staff and service users to provide direct feedback to Board members and discuss any patient safety or quality issues they may have. Any significant concerns are raised with the relevant service/Area manager. Governors often attend service visits with a Non-Executive Director.

Freedom to Speak Up Policy for the NHS

This policy sets out the commitment of the Board to provide a range of processes to enable all staff to report their concerns promptly and in ways in which they are comfortable.

The policy emphasises that all staff should be confident that they can raise concerns without fear of reprisal. The policy describes where staff can get guidance and support from within the Trust and from other independent organisations.

The Trust has appointed a Freedom to Speak Up Guardian and has a nominated Senior Independent Director (SID). The SID role is fulfilled by one of the Trust's Non-Executive Directors. They are available to all staff who feel that their concerns have not been addressed through the policy, or where the individual feels that their concerns are of such a serious nature that use of the policy is not desirable.

Risks to compliance with the NHS Foundation Trust Licence condition 4 (FT governance)

At the Trust Board meeting on 25 May 2023, following a review of the report submitted with supporting evidence, the Board were satisfied that all such actions as were necessary had been taken in order to comply with the conditions of the Trust's licence.

Data Quality and Governance

Data quality, as it relates to the performance information provided, is monitored in-house by the Data Quality team and is also subject to audit reviews.

Key performance indicators (KPIs) are reported at each Board meeting. The Performance team ensure oversight of all measures and data quality. Below Board level, sub-committees and Finance Performance and Quality meetings at Area and Executive level review KPIs. At each level, data is triangulated with operational and local knowledge to assure the quality and accuracy of the data reported to the Board, as discussed in the earlier Quality and Performance Management Frameworks section.

Risks to Data Security

The Trust met all mandatory requirements in the Data Security and Protection Toolkit and received 'substantial assurance' from its internal auditors, showing that the Trust has robust mechanisms in place to manage risks to data security. The Trust received 'reasonable assurance' for cyber security in relation to supply chain security and cloud services. Information risk management is overseen by the Senior Information Risk Owner (SIRO) and reviewed and monitored by the Information Governance and Security Group.

Other Control Measures/Managing Conflicts of Interest in the NHS

The Trust is fully compliant with the registration requirements of the CQC.

The Trust maintains and publishes an up-to-date register of interests for decision-making staff within the past twelve months. The Trust also encourages decision-making staff to complete conflicts of interest training annually using the Electronic Staff Record (ESR) system, with online declaration for all decision-making staff. Comprehensive information about managing conflicts of interest is available to all staff through the intranet.

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.

5. Care Quality Commission (CQC)

In 2017, the CQC carried out an inspection of Trust services which concluded an overall **Good** rating with **Outstanding** features.

Individual ratings against each domain were:

- Are services safe? **Good**
- Are services effective? **Good**
- Are services caring? **Good**
- Are services responsive? **Good**
- Are services well-led? **Good**

The CQC reported that:

- The Trust was **Outstanding** in both caring in community in-patient services and responsive in community end of life care.
- An open and honest culture was reflected throughout all levels of the organisation.
- Staff at all levels were clear in their roles and responsibilities in the delivery of good quality care.
- Leaders were dedicated, experienced and staff said they were visible throughout the organisation.
- Managers and staff embraced an improvement culture and tried hard to improve the quality and sustainability of services.
- Safety had improved overall and managers closely monitored staffing issues and addressed them as required.
- Medicines management and audit had improved.

In August 2021 the CQC carried out an announced inspection of the Sussex Children's Sexual Assault Referral Centre (CSARC). Their key findings were:

- Staff had suitable safeguarding processes and staff knew their responsibilities for safeguarding children and adults.
- Clinical staff provided support, care and treatment in line with current guidelines.
- Staff treated patients with dignity and respect and took care to protect their privacy and personal information.
- Established policies and procedures ensured effective multi-agency and multidisciplinary working.
- The service had effective leadership and a culture of continuous improvement.
- Staff felt involved and supported, and worked well as a team.
- The service asked staff, patients and stakeholders for feedback about the services they provided.

6. The Governance Framework of the Trust

Council of Governors

The Council of Governors has two general duties – to represent the views of members and the wider public and to hold the Non-Executive Directors to account for the performance of the Board. The governors' role is to enable local people, patients, members of staff and partners to

meaningfully contribute to development of community services and Trust strategy. The governors are a direct link between the Trust and the people it serves.

Governors have an important role to play in making the Trust publicly accountable for the services it provides. Each category of governor – public, staff and appointed – bring valuable perspectives and contributions to the Trust's activities and future planning. The full Council of Governors met quarterly and the annual members' meeting was held, in person and online, in September 2022.

Trust Board

The Board consists of Non-Executive Directors who use their skills and experiences, gained from the private, public and voluntary sectors, to help run the Trust, but who do not have day-to-day management responsibilities; and Executive Directors who are paid employees with clear areas of work responsibility within the Trust.

To give Board members grounding and greater understanding, Board members regularly carry out service visits, hear patient and staff stories at Board meetings and talk to colleagues and patients.

Committees of the Trust Board

To support the Board in carrying out its duties effectively, Board Committees have been formally established, each chaired by a Non-Executive Director.

Board Committees remits and terms of reference are reviewed annually by both the Committee and the Board to ensure that robust governance and assurance arrangements are in place. Each Board Committee receives regular assurance reports from committees and groups, as outlined in their terms of reference. The minutes of Board Committee meetings are circulated to the Board, supported by a verbal and written updates by the Chair of each Committee.

The **Quality Improvement Committee** scrutinises the detail of quality governance thereby providing additional assurance to the Board. It met six times in the year and regularly receives reports on progress against both the Trust's Quality Improvement Plan and its Quality Account priorities. The Committee also carries out 'deep dive' reviews into aspects of quality that are causing concern and receives exception reports from the Trust-wide Governance Group.

The **Resources Committee** met nine times in the year to provide strategic oversight and assurance on the effective development and use of the Trust's financial, commercial, digital and estate resources. It receives assurance on the delivery of key strategies and provides scrutiny of in-year outcomes and effective use of resources. It also provides constructive support and challenge on the development of future strategic plans to improve financial, commercial, digital and estates capabilities to achieve the Trust's vision.

The **Audit Committee** provides assurance to the Board of the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and reviewing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter-fraud and internal control across the Trust's activities, and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. It receives regular reports from the external auditors, the internal auditors and the local Counter Fraud specialists and meets with them to discuss their reports. The Audit Committee met six times in the year.

The **Charitable Funds Committee** acts on behalf of the Trust as the corporate trustee, in accordance with the Trust's standing orders to oversee the Trust charity's operation and to make sure the administration of charitable funds is distinct from the Trust's exchequer funds. The Committee oversees all aspects relating to charitable funds within the Trust. The Charitable Funds Committee met six times in the year.

The **Board of Directors Nominations and Remuneration Committee (BoD NRC)** is chaired by the Trust Chair. Committee members are all the Non-Executive Directors of the Trust. The Committee is responsible for succession planning, appointments and setting the remuneration and conditions of service of the Chief Executive and Executive Directors. It ensures these appropriately support the objectives of the Trust, represent value for money and comply with statutory requirements. The BoD NRC is not responsible for the succession planning, appointment and setting the remuneration and conditions of service of the Chair and the Non-Executive Directors, which is the remit of the Council of Governors Nomination and Remuneration Committee (CoG NRC). The BoD NRC met four times in the year.

The **People Committee** aims to ensure that the Trust has the adequate staff with the necessary skills, experiences and competencies to meet the future needs of patients and service users. It does this by providing oversight of the development and delivery of the Trust's medium and long-term workforce plans aimed at addressing these needs. The scope of the Committee includes support for the wellbeing and resilience of all staff, recruitment, retention, the development of people and education and training programmes. In the year the People Committee oversaw the development of the Trust's new People Strategy 2023-26.

Executive Committee

The **Executive Committee** is chaired by the Chief Executive. Committee members are all the Executive Directors of the Trust. The Committee is responsible for ensuring the effective day-to-day management and operation of the Trust and supports the Chief Executive to discharge the responsibilities delegated to them as Accounting Officer.

7. Sustainability

In support of Delivering a Net Zero NHS as part of the national Greener NHS programme, the NHS Long Term Plan and Sustainability Agenda, the Trust's vision is to continue to be a leading provider of outstanding low-carbon care to patients and colleagues, through its Care Without Carbon programme which incorporates the eight elements of sustainability and resource efficiency.

The Trust has carried out risk assessments and has a sustainability strategy and delivery plans are in place which also meet emergency preparedness and civil contingency requirements, to make sure the organisation meets its obligations under the Climate Change Act. The adaptation reporting requirements are complied with.

8. Workforce

In addition to the People Committee, an executive Workforce Committee, reporting to the Executive Committee, chaired by the Chief People Officer, oversees delivery of the People Strategy and its action plan.

Assurance and scrutiny of workforce priorities and progress against the plan is provided through the People Committee. The Quality Improvement Committee and Resource Committee provide additional oversight of people matters within their remits. Key Performance Indicators (KPIs) are reported to the Board through a regular Workforce Report.

Workforce planning takes place in conjunction with business planning working at service level and there is oversight by the Executive Directors. The development of the plan is led by the Deputy Chief Nurses for Quality, the Director of Finance and Performance, and the Chief People Officer.

The plan takes into account current workforce challenges and new roles required by transformation. The Trust carries out an annual review of safer staffing needs in its intermediate care units using a proprietary tool which has been developed for a community intermediate care setting to ensure consistency in approach across the Trust. To ensure ongoing monitoring, a quarterly Care Hour per Patient per Day and Safer Staffing Report is triangulated, with harm-free

care data, complaints and incidents. This ensures effective care is delivered and workforce safeguards are in place. This is reported to the Board and has been extended to cover children and community services.

At local level, intermediate care units monitor staffing through the Safe Care module of the e-rostering system which allows for a review of acuity and dependency, and workforce numbers and skills on a continuous basis.

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

The Board takes responsibility for oversight and risk management assurance throughout the Trust and receives the BAF quarterly. The Trust's strategic goals form the basis of the BAF. The strategic goals are linked to key risks, internal controls and assurance sources.

The Board assesses the effectiveness of risk management by:

- managing and monitoring the implementation of the Risk Management Strategy and Policy;
- considering findings from internal and external audit reviews;
- holding Executive Directors to account for their risk portfolios;
- monitoring the BAF quarterly.

TIAA, who provides the Trust's internal audit function, reported in the year a "Reasonable Assurance" opinion on the Trust's Risk Management and BAF. The focus of this year's review was the Board and Sub-Committee management of the BAF and risk management, whereas the 2021-22 focus was on the operational aspect of the process. Therefore, the 'Reasonable Assurance' opinion is given in that context.

Clinical risk and patient safety are overseen by the Trust's Quality Improvement Committee, the Chief Nurse, the Chief Medical Officer and the Chief Operating Officer. As part of the IPR, the Board receives ten quality reports annually covering the quality and patient safety aspects of the Trust's operations.

The Audit Committee receives regular reports from the Local Counter Fraud Specialist who identifies specific fraud risks and investigates whether, or not, there was evidence of them being exploited. No significant risks, classes of transactions or account balances were identified.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. These include policies, the committee structure and Board assessment of compliance with, and progress against, equality and diversity best practice.

10. Information Governance (IG)

The Trust takes all information governance incidents very seriously and, regardless of severity, all are analysed and, where appropriate, categorised as a serious incident needing further investigation. In 2022-23 the Trust reported two serious information governance incidents to the Information Commissioner's Office (ICO) using the Data Security Incident Reporting Tool.

The first incident was reported on 11 April 2022 to the ICO due to a complaint from a patient that a clinical report sent by the Trust to another organisation contained excessive amounts of sensitive personal information. The patient was not aware that the information was being shared with the external party and did not believe it was all necessary to be known. Due to the follow-up actions

put in place by the Trust afterwards, the ICO subsequently closed the incident on 11 June 2022 with no further action required. The second incident reported to the ICO was on 5 October 2022 following a complex complaint that alleged, among other things, that a member of Trust staff had inappropriately accessed a patient's clinical record. A full HR led investigation followed and the ICO confirmed on 11 February 2023 that the Trust had managed the incident appropriately and no further action was required.

Information on all incidents during the year are used to support training for staff and to inform awareness messages, which are communicated across the Trust to make sure the staff are informed and to prevent reoccurrence in the future.

11. Emergency Preparedness, Resilience and Response

All Trusts have a duty to prepare for emergencies. The Trust must have plans in place to prevent emergencies and clear guidance on how it will reduce or control the effects of an emergency and return to business as usual as soon as possible.

To give assurance that it has addressed this duty, the Trust has developed a comprehensive management framework which addresses NHS England's Core Standards for Emergency Preparedness, Resilience and Response (EPRR). An annual report is taken to the Board of Directors to provide evidence of the annual self-assessment process covering the core standards. In October 2022, the Trust was assessed as substantially compliant against the NHS England EPRR core standards. The Trust's Emergency Planning team has developed an action plan to achieve full compliance with the EPRR standards by September 2023.

12. Annual Quality Account

On an annual basis the Trust is required to publish a Quality Account on its achievement of its key priorities for quality improvement and on its performance in relation to the maintenance of essential standards for quality and safety.

Each year the Trust consults with its staff, the public and other stakeholders to align its Quality Account priorities to its risks, business objectives and national priorities. The draft Quality Account is presented to the Trust's Quality Improvement Committee and the Council of Governors for review and ultimately for approval by the Board. In addition, it is presented to the ICS, Health Overview and Scrutiny Committees, local Healthwatch and other stakeholders for comment.

During the year, a key questions dashboard focusing on the five CQC domains of safe, effective, caring, responsive and well-led, was reviewed by the Trust-wide Governance Group and any exceptions escalated to the Quality Improvement Committee. This enabled a view of delivery against essential standards for quality and safety.

The Trust's policies, procedures and clinical guidelines provided a robust foundation for, and support, the delivery of high-quality care. All policies, procedures and guidelines are centrally coordinated and are published on the Trust's intranet to ensure ease of access for all members of staff.

13. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS

foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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, Resources Committee, People Committee and Quality Improvement Committee, and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

The Trust continually seeks to improve the effectiveness of its systems of internal control and puts in place action plans to meet any identified shortfalls.

My review is also informed by opinion and reports by internal audit, who work to a risk-based annual plan with topics that cover governance and risk management, service delivery and performance, financial management and control, human resources, operational and other reviews.

The Head of Internal Audit Opinion for 2022-23 was as follows: “TIAA is satisfied that, for the areas reviewed during the year, Sussex Community NHS Foundation Trust has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or the Trust’s ability to meet its financial obligations which must be obtained by Sussex Community NHS Foundation Trust from its various sources of assurance.”

The Trust has used the internal audit service to investigate areas where it was felt that the Trust would benefit from independent scrutiny and, consequently, two areas of ‘limited assurance’ have been identified. During the year the audit findings have been used to enhance systems, structures and processes where required. The progress towards the individual management improvement actions from each review are reported and monitored by the Executive Committee and by the Audit Committee.

Other sources of assurance include:

- Opinion and reports from the Trust’s external auditors.
- Quarterly performance management reports to NHSE.
- Quarterly assurance meetings with the Sussex ICB.
- Department of Health and Social Care performance requirements/indicators.
- Full compliance across all Care Quality Commission domains.
- Information governance assurance framework, including the Data Security and Protection Toolkit.
- Results of national patient and staff surveys.
- Investigation reports and action plans following serious incidents.
- Council of Governors’ engagement.
- Clinical audit reports.

Where the Trust uses outsourced systems such as ESR (Electronic Staff Record) the Trust gains assurance from the work of service auditors. The service auditor report for ESR highlighted a concern regarding access to the system. At the Trust this risk is mitigated through robust local controls over access to the system.

The Trust has proactively recognised the need for ongoing development of the robustness of its systems of control and assurance and the monitoring of its risk registers and assurance framework

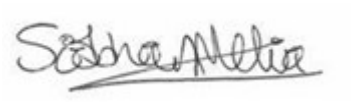
to ensure it identifies the changing impact and likelihood of risk and fully support the delivery of business objectives. During 2022-23, the BAF has been reviewed to strengthen the assurance it gives against key risks in the following strategic areas:

- Workforce.
- Cyber resilience.
- Data quality and effective use of data.
- Financial sustainability.
- Estates.
- Evolving statutory and regulatory framework for integrated care.
- System fluidity.
- Continuous improvement.

Conclusion

My review confirms that Sussex Community NHS Foundation Trust has a sound system of internal control. The Head of Internal Audit has assessed and given the Trust a rating of “Reasonable Assurance” overall, which supports the achievement of the goals, vision, values, policies, aims and objectives of the organisation.

Signed:



Siobhan Melia, Chief Executive
Date: 22 June 2023

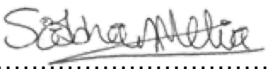
Sussex Community NHS Foundation Trust

Annual accounts for the year ended 31 March 2023

Foreword to the accounts

Sussex Community NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by Sussex Community NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed  .....

Name **Siobhan Melia**
Job title **Chief Executive**
Date **22-Jun-23**

Consolidated Statement of Comprehensive Income

		Group	
		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	3	309,100	287,802
Other operating income	4	15,097	27,332
Operating expenses	7, 9	(325,925)	(313,756)
Operating surplus/(deficit) from continuing operations		**(1,728)**	**1,378**
Finance income	11	854	34
Finance expenses	12	(1,011)	(53)
PDC dividends payable		(670)	(711)
Net finance costs		**(827)**	**(730)**
Other gains	13	236	13
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		**(2,319)**	**661**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		**(2,319)**	**661**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(37)	1,203
Revaluations		2,259	305
Share of comprehensive income from associates and joint ventures		-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI		-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset		-	-
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		-	-
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI		-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI		-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-
Total comprehensive income / (expense) for the period		**(97)**	**2,169**
Surplus/ (deficit) for the period attributable to:			
Non-controlling interest, and		-	-
Sussex Community NHS Foundation Trust		(2,319)	661
TOTAL		**(2,319)**	**661**
Total comprehensive income/ (expense) for the period attributable to:			
Non-controlling interest, and		-	-
Sussex Community NHS Foundation Trust		(97)	2,169
TOTAL		**(97)**	**2,169**

Adjusted financial performance (control total basis):		
Surplus / (deficit) for the period	(2,319)	661
Remove impact of consolidating NHS charitable fund	-	-
Remove net impairments not scoring to the Departmental expenditure limit	2,095	(639)
Remove (gains) / losses on transfers by absorption	-	-
Remove I&E impact of capital grants and donations	271	202
Prior period adjustments	-	-
Remove non-cash element of on-SoFP pension costs	-	-
Remove net impact of inventories received from DHSC group bodies for COVID response	-	-
Remove loss recognised on peppercorn lease disposals	-	
Remove loss recognised on return of donated COVID assets to DHSC	-	-
Adjusted financial performance surplus / (deficit)	**47**	**224**

Statements of Financial Position

	Note	Group 31 March 2023 £000	Group 31 March 2022 £000	Trust 31 March 2023 £000	Trust 31 March 2022 £000
Non-current assets					
Intangible assets	16	9,734	10,835	9,734	10,835
Property, plant and equipment	17	52,812	51,002	52,812	51,002
Right of use assets	18	102,358	-	97,895	-
Investment property		-	-	-	-
Investments in associates and joint ventures		-	-	-	-
Other investments / financial assets		-	-	-	-
Receivables	24	274	269	4,549	3,175
Other assets		-	-		
Total non-current assets		**165,178**	**62,106**	**164,990**	**65,012**
Current assets					
Inventories	23	1,129	1,027	1,075	932
Receivables	24	24,278	14,277	23,157	13,120
Other investments / financial assets		-	-	0	-
Other assets		-	-	0	-
Non-current assets held for sale		-	-	0	-
Cash and cash equivalents	27	38,664	32,677	38,479	32,647
Total current assets		**64,071**	**47,981**	**62,711**	**46,699**
Current liabilities					
Trade and other payables	28	(59,695)	(44,053)	(59,236)	(43,549)
Borrowings	29	(12,495)	(791)	(11,345)	(791)
Other financial liabilities		-	(4)	0	(4)
Provisions	30	(73)	(81)	(73)	(81)
Other liabilities		-	-	-	-
Liabilities in disposal groups		-	-	-	-
Total current liabilities		**(72,263)**	**(44,929)**	**(70,654)**	**(44,425)**
Total assets less current liabilities		**156,986**	**65,158**	**157,047**	**67,286**
Non-current liabilities					
Trade and other payables		-	-	0	0
Borrowings	29	(91,591)	(1,913)	(88,278)	(1,913)
Other financial liabilities		-	-	0	0
Provisions	30	(2,293)	(2,355)	(2,293)	(2,355)
Other liabilities		-	-	0	0
Total non-current liabilities		**(93,884)**	**(4,268)**	**(90,571)**	**(4,268)**
Total assets employed		**63,102**	**60,890**	**66,476**	**63,018**
Financed by					
Public dividend capital		15,133	12,824	15,133	12,824
Revaluation reserve		15,752	13,530	15,752	13,530
Other reserves		(11,603)	(11,603)	(11,603)	(11,603)
Merger reserve		-	-	0	0
Income and expenditure reserve		43,820	46,139	47,194	48,267
Total taxpayers' equity		**63,102**	**60,890**	**66,476**	**63,018**

Notes 1 to 41 form part of these accounts.

Name **Siobhan Melia**
Position **Chief Executive**
Date **22 June 2023**

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**12,824**	**13,530**	**(11,603)**	**46,139**	**60,890**
Impact of implementing IFRS 16 on 1 April 2022	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	-	-	-	(2,319)	**(2,319)**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	**-**
Impairments	-	(37)	-	-	**(37)**
Revaluations	-	2,259	-	-	**2,259**
Transfer to retained earnings on disposal of assets	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	**-**
Public dividend capital received	2,309	-	-	-	**2,309**
Public dividend capital repaid	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	**-**
Other reserve movements	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2023	**15,133**	**15,752**	**(11,603)**	**43,820**	**63,102**

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**7,145**	**12,022**	**(11,603)**	**45,478**	**53,042**
Surplus/(deficit) for the year	-	-	-	661	**661**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	**-**
Impairments	-	1,203	-	-	**1,203**
Revaluations	-	305	-	-	**305**
Transfer to retained earnings on disposal of assets	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	**-**
Public dividend capital received	5,679	-	-	-	**5,679**
Public dividend capital repaid	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	**-**
Other reserve movements	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2022	**12,824**	**13,530**	**(11,603)**	**46,139**	**60,890**

Statement of Changes in Equity for the year ended 31 March 2023

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**12,824**	**13,530**	**(11,603)**	**48,267**	**63,018**
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	-	**-**
Surplus/(deficit) for the year	-	-	-	**(1,072)**	**(1,072)**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	**-**
Impairments	-	(37)	-	-	**(37)**
Revaluations	-	2,258	-	-	**2,258**
Transfer to retained earnings on disposal of assets	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	**-**
Public dividend capital received	2,309	-	-	-	**2,309**
Public dividend capital repaid	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	**-**
Other reserve movements	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2023	**15,133**	**15,751**	**(11,603)**	**47,195**	**66,476**

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

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**7,145**	**12,022**	**(11,603)**	**46,989**	**54,553**
Surplus/(deficit) for the year	-	-	-	1,278	**1,278**
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	**-**
Impairments	-	1,508	-	-	**1,508**
Revaluations	-	-	-	-	**-**
Transfer to retained earnings on disposal of assets	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	**-**
Public dividend capital received	5,679	-	-	-	**5,679**
Public dividend capital repaid	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	**-**
Other reserve movements	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2022	**12,824**	**13,530**	**(11,603)**	**48,267**	**63,018**

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.

Other reserves
This reserve represents Public Dividend Capital repaid to the Department of Health in prior years, in excess of the Public Dividend Capital held by the Trust and was in respect of fixed assets transferred to other NHS organisations

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

Statements of Cash Flows

	Note	Group 2022/23 £000	Group 2021/22 £000	Trust 2022/23 £000	Trust 2021/22 £000
Cash flows from operating activities					
Operating surplus / (deficit)		(1,728)	1,378	(629)	1,987
Non-cash income and expense:				-	
Depreciation and amortisation	7.1	21,095	6,155	20,589	6,155
Net impairments	8	2,095	1,411	2,095	1,411
Income recognised in respect of capital donations	4	(96)	(137)	(96)	(137)
(Increase) / decrease in receivables and other assets		(9,590)	(4,003)	(9,534)	(4,381)
(Increase) / decrease in inventories		(102)	(36)	(143)	40
Increase / (decrease) in payables and other liabilities		15,979	9,342	14,710	9,248
Increase / (decrease) in provisions		(70)	179	(70)	179
Tax (paid) / received		-	-	-	-
Operating cash flows from discontinued operations		-	-	-	-
Other movements in operating cash flows		(369)	(8)	(393)	(8)
Net cash flows from operating activities		**27,214**	**14,281**	**26,529**	**14,494**
Cash flows from investing activities				-	
Interest received		668	34	668	34
Purchase and sale of financial assets / investments		-	-	-	-
Purchase of intangible assets		(3,067)	(5,151)	(3,067)	(5,151)
Sales of intangible assets		-	-	-	-
Purchase of PPE and investment property		(7,000)	(7,910)	(7,000)	(7,910)
Sales of PPE and investment property		1,196	-	1,196	-
Initial direct costs or up front payments in respect of new right of use assets (lessee)		-	-	-	-
Receipt of cash lease incentives (lessee)		-	-	-	-
Lease termination fees paid (lessee)		-	-	-	-
Receipt of cash donations to purchase assets		97	137	97	137
Finance lease receipts (principal and interest)		-	-	-	-
Investing cash flows from discontinued operations		-	-	-	-
Cash from acquisitions / disposals of subsidiaries		-	-	-	-
Net cash flows used in investing activities		**(8,106)**	**(12,890)**	**(8,106)**	**(12,890)**
Cash flows from financing activities				-	
Public dividend capital received		2,309	5,679	2,309	5,679
Public dividend capital repaid		-	-	-	-
Movement on loans from DHSC		(788)	(876)	(788)	(876)
Movement on other loans		-	-	-	-
Other capital receipts		-	-	-	-
Capital element of lease liability repayments		(12,661)	(3)	(12,178)	(3)
Interest on loans		(28)	(41)	(28)	(41)
Other interest		-	-	-	-
Interest paid on lease liability repayments		(987)	(22)	(940)	(22)
PDC dividend (paid) / refunded		(966)	158	(966)	158
Financing cash flows of discontinued operations		-	-	-	-
Cash flows from (used in) other financing activities		-	-	-	-
Net cash flows from / (used in) financing activities		**(13,121)**	**4,895**	**(12,591)**	**4,895**
Increase in cash and cash equivalents		**5,987**	**6,286**	**5,832**	**6,499**
Cash and cash equivalents at 1 April - brought forward		**32,677**	**26,391**	**32,647**	**26,148**
Cash and cash equivalents at 31 March	27	**38,664**	**32,677**	**38,479**	**32,647**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

Accounting convention

These 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

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

Note 1.3 Consolidation

NHS Charitable Fund

The Trust is the corporate trustee to Sussex Community NHS Charity. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.
The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

Sussex Community NHS Foundation Trust has an investment portfolio which is managed on a full discretionary basis by Barclays Wealth Management, who act as the Trustee Directors' nominee. All monies received, apart from that required for working capital, should be invested to maximise the overall return consistent with the Charity's strategy, restrictions and level of risk. The Trustee Directors' overall investment objective is to achieve a balanced return from income and capital growth. The income generated from the investment portfolio is to be treated as fully expendable. The Trustee Directors have agreed the following with the nominee managers:

•to avoid investment in companies which produce tobacco or alcohol related products or who manufacture armaments;
•to invest following an agreed medium-low risk profile which has a limited potential for capital losses in exchange for higher returns than those offered by savings or bank deposit accounts;
•to value the portfolio and report on the performance of the constituent investments against relevant indices at the end of each quarter.

The value of charity investments as at 31 March 2023 is c. £1.6 million , as reported in the investment manager's report for the year.

The Trust has concluded that consolidation of the charity and preparation of group accounts is not required in 2022/23. This is because the charity is not material to the Trust. The value of the charity's investments is significantly less than one per cent of the Trust's operating expenditure in 2022/23.

Sussex Primary Care Limited
Sussex Primary Care Limited is a company limited by shares, established in November 2018 for the provision of primary care GP services across Sussex. It is a wholly owned subsidiary of Sussex Community NHS Foundation Trust. Sussex Primary Care has been established to provide primary care GP services across the county of Sussex. It runs seven GP practices and other primary care services across Sussex.

Total expenditure by Sussex Primary Care in 2021/22 was approximately £11 million, which is approximately 3.4 per cent of the whole trust consolidated expenditure.

The Trust has concluded that consolidation of Sussex Primary Care Limited is required in 2022/23 on the grounds that expenditure will represent a material value.

The Trust's accounts are prepared on a consolidated basis. The Trust will disclose separate values for the single entity where this is required by the Group Accounting Manual and where single entity figures are materially different from the group position.

The Trust does not have any associates, joint ventures or joint operations.

Note 1.4 Revenue from contracts with customers

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

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners. 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. Reimbursement and top-up income is accounted for as variable consideration.

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the 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 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS 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.

NEST Pension Scheme
For those staff not entitled to join the NHS Pension scheme, the Trust uses an alternative pension scheme operated by National Employment Savings Trust (NEST) to fulfil its automatic enrolment obligations to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. NEST is a defined contribution pension scheme established by law. Contributions are taken from qualifying earnings, which are currently from £6,136 up to £50,000 but will be reviewed each year by the Government. The initial employee contribution is 3% of qualifying earnings with an employer contribution of 5%. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

Note 1.7 Expenditure on other goods and services

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

External audit fees for the period were £83k (plus VAT of £16.6k).

Note 1.8 Discontinued operations
The Trust did not have any discontinued operations in 2022/23.

Note 1.9 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.

The Trust has taken a current site optimised valuation approach for the Brighton General site, rather than the alternative site basis.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. 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. Right of Use assets are depreciated over the term of the lease liability

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.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
The Trust does not have any PFI or LIFT schemes

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 Years	Max life Years
Land	-	-
Buildings, excluding dwellings	8	81
Plant & machinery	4	25
Transport equipment	7	7
Information technology	5	10
Furniture & fittings	8	11

Note 1.10 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

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 Years	Max life Years
Information technology	2	12
Development expenditure	-	-
Websites	-	-
Software licences	2	-
Licences & trademarks	5	7
Other (purchased)	-	-

Note 1.11 Inventories

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

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 1.12 Investment properties

The Trust does not have any investment properties.

Note 1.13 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 1.14 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost,

Financial 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).

Expected credit losses on receivables are assessed by reviewing outstanding debtors for objective evidence of impairment. The Trust applies the practical expedient set out in IFRS9 and calculates a provision based on the length of time a receivable had been outstanding. For debtors outside the DHSC the following percentages are provided.

- Between 3 and 6 months 25 %
- Between 6 months and 1 year 50%
- Over 1 year 100%"

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 1.15 Leases

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

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

The Trust as a lessee

Recognition and initial measurement

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

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

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

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

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

Subsequent measurement

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

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

This point has particular relevance to the Trust's arrangement with NHS Property Services, where there is no fixed limit to the lease term. The Trust reassesses the likely lease term at the end of each accounting period and remeasures the lease accordingly.

The Trust as a lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

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

The Trust as lessee

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

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

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

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

Note 1.16 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%
	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 30 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 1.17 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 30 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 30, 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 1.18 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 1.19 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 1.20 Corporation tax
The Trust was not liable for corporation tax in 2022/23

Note 1.21 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 1.22 Foreign exchange

The Trust had no foreign exchange transactions in 2022/23

Note 1.23 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 1.24 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 1.25 Gifts

The Trust has a policy of not making any gifts

Note 1.26 Transfers of functions [to / from] [other NHS bodies / local government bodies]

There have been no transfers by absorption in 2022/23

Note 1.27 Early adoption of standards, amendments and interpretations

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

Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

This is not applicable in 2022/23

Note 1.29 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:

The Trust has reviewed the carrying value of the asset under construction relating to the new health hub at Brighton General Hospital. The COVID-19 pandemic has significantly delayed the progress and altered the scope of of the project and the business case. All the initial stages and consultations will have to be repeated as a consequence. It is appropriate to impair all remaining spend relating prior to May 2020. The value of the impairment is £ 0.3 million.

The Trust has reviewed the carrying value of its intangible asset for the Patient information system SystmOne. Changes in technology and the Trust's requirements mean that the carrying value of previously capitalised expenditure was overstated. The Trust is having to re-implement SystmOne across its services. The value of this impairment is £ 1.4 million.

The Trust is still carrying an asset for its VOIP telephony system of desk phones. Recent advances in technology including MS Teams and changes to working arrangements are starting to render the system obsolete. Therefore the carrying value of the asset was overstated and the value of the impairment is £ 1.3 million.

Note 1.30 Sources of estimation uncertainty
The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The most significant accounting estimate in the financial statements relates to the valuation of Property, Plant and Equipment. Valuations are carried out by an external professional valuer, the Valuation Office Agency, in accordance with RICS Valuation Professional Standards and following a Modern Equivalent Asset approach. Estimation is involved in assessing the useful lives of the assets and the inflationary increase in their value. If the valuer had applied different assumptions, this would affect the carrying value of the assets and the associated depreciation charge, however our assessment is that this effect would be unlikely to be material.

The valuation exercise was carried out in February and March 2023 with a valuation date of 31 March 2023. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book'), the valuer has not declared a 'material valuation uncertainty' in the valuation report. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements.

Leasehold improvements are uplifted by an inflationary amount each year and are written off over the shorter of remaining life of the lease or the useful economic life of the asset. Uncertainty in deciding on the life of an asset means that it is possible to over or under-estimate its life and also the cost that needs to be written off each year to the income & expenditure account. Given the relatively small amounts involved it is our assessment that these are unlikely to have a material effect.

Provisions are calculated by estimating the current liabilities existing as a result of past events, and the probability of them being realised. The estimate is sensitive to the assumptions made, however the amount in not material to SCFT's financial statements.

Note 2 Operating Segments

Consistent with previous years, we have determined that the Trust operates a single reportable segment, being the provision of healthcare. Similar methods are used to provide services across all locations and all policies, procedures and governance arrangements are trust-wide. As an NHS Foundation Trust all our services are subject to the same regulatory environment and standards set by our external performance managers.

Accordingly the Trust operates as one segment and reports in this format to the chief operating decision maker, which is the Trust Board. No discrete activities of the business have individual revenue exceeding 10% of the total combined revenue, profit or assets.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	2022/23 £000	2021/22 £000
Acute services		
Income from commissioners under API contracts*	12,192	8,419
High cost drugs income from commissioners (excluding pass-through costs)	1,799	2,398
Other NHS clinical income	-	-
Mental health services		
Income from commissioners under API contracts*	14,624	15,887
Services delivered under a mental health collaborative	-	-
Income for commissioning services in a mental health collaborative	-	-
Clinical partnerships providing mandatory services (including S75 agreements)	-	-
Clinical income for the secondary commissioning of mandatory services	-	-
Other clinical income from mandatory services	-	-
Ambulance services		
A & E income	-	-
Patient transport services income	-	-
Other income	-	-
Community services		
Income from commissioners under API contracts*	231,443	222,516
Income from other sources (e.g. local authorities)	20,831	21,692
All services		
Private patient income	631	359
Elective recovery fund	-	937
Agenda for change pay offer central funding***	9,783	
Additional pension contribution central funding*	9,448	9,369
Other clinical income	8,349	6,225
Total income from activities	**309,100**	**287,802**

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

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers 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.

***Income relating to the 2022/23 pay award has been accrued as notofied by NHS England

Other clinical income relates mainly to muskoskeletal services (HERE)

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	**£000**
NHS England	29,628	22,414
Clinical commissioning groups	65,903	237,112
Integrated care boards	188,467	-
Department of Health and Social Care	15	-
Other NHS providers	2,807	3,182
NHS other	9	210
Local authorities	18,320	18,510
Non-NHS: private patients	631	359
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	445	438
Non NHS: other	2,875	5,577
Total income from activities	**309,100**	**287,802**
Of which:		
Related to continuing operations	309,100	287,802
Related to discontinued operations	-	-

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

	2022/23	2021/22
	£000	£000
Income recognised this year	-	-
Cash payments received in-year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-

Note 4 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	580	-	**580**	345	-	**345**
Education and training	3,649	525	**4,174**	3,374	537	**3,911**
Non-patient care services to other bodies	3,904	-	**3,904**	3,626	-	**3,626**
Reimbursement and top up funding	2,464	-	**2,464**	15,409	-	**15,409**
Income in respect of employee benefits accounted on a gross basis	1,101	-	**1,101**	917	-	**917**
Receipt of capital grants and donations and peppercorn leases	-	96	**96**	-	137	**137**
Charitable and other contributions to expenditure	-	366	**366**	-	406	**406**
Support from the Department of Health and Social Care for mergers	-	-	**-**	-	-	**-**
Revenue from finance leases	-	-	**-**	-	-	**-**
Revenue from operating leases	-	342	**342**	-	342	**342**
Amortisation of PFI deferred income / credits	-	-	**-**	-	-	**-**
Charitable fund incoming resources	-	-	**-**	-	-	**-**
Other income	2,070	-	**2,070**	2,239	-	**2,239**
Total other operating income	**13,768**	**1,329**	**15,097**	**25,910**	**1,422**	**27,332**
Of which:						
Related to continuing operations			15,097			27,332
Related to discontinued operations			-			-

Other income includes catering and nurseries income, as well as other income generation and grant funding

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

The Trust has no additional information to disclose on contract revenue recognised in the period. 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.

The overwhelming majority of Trust income is covered by this practical expedient and there are no further disclosures to be made

Note 5.2 Transaction price allocated to remaining performance obligations

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.

The overwhelming majority of Trust income is covered by this practical expedient and there are no further disclosures to be made

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 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	74,031	72,865
Income from services not designated as commissioner requested services	235,069	214,937
Total	**309,100**	**287,802**

Note 5.4 Profits and losses on disposal of property, plant and equipment

During the year the Trust disposed of land and buildings at Worthing Central Clinic to Worthing Borough Council. The sale proceeds were £ 1,147,500 and the Trust achieved a profit on disposal of £ 224k. The Trust plans to begin leasing an alternative site in Worthing in 2023/24 for the services previously provided from the central clinic.

Note 5.5 Fees and charges (Group)

In 2021/22 there were no fees and charges in excess of £ 1 million.

Note 6 Operating leases - Sussex Community NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where SCFT is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Note 6.1 Operating leases income (Group)

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	342	342
Variable lease receipts / contingent rents	-	-
Other		-
Total in-year operating lease income	**342**	**342**

Note 6.2 Future lease receipts (Group)

	31 March 2023
	£000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	342
- later than one year and not later than two years	80
- later than two years and not later than three years	80
- later than three years and not later than four years	80
- later than four years and not later than five years	80
- later than five years	556
Total	**1,218**

	31 March 2022
	£000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	342
- later than one year and not later than five years;	318
- later than five years.	636
Total	**1,296**

Note 7.1 Operating expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	5,084	4,606
Purchase of healthcare from non-NHS and non-DHSC bodies	5,704	6,274
Purchase of social care	-	-
Staff and executive directors costs	245,383	229,696
Remuneration of non-executive directors	121	120
Supplies and services - clinical (excluding drugs costs)	12,968	17,692
Supplies and services - general	3,089	3,100
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	3,226	3,173
Inventories written down	-	-
Consultancy costs	299	144
Establishment	2,452	3,971
Premises	12,490	10,207
Transport (including patient travel)	3,682	3,251
Depreciation on property, plant and equipment	18,369	4,466
Amortisation on intangible assets	2,726	1,689
Net impairments	2,095	1,411
Movement in credit loss allowance: contract receivables / contract assets	600	(95)
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	(13)	54
Fees payable to the external auditor		
audit services- statutory audit	99	67
other auditor remuneration (external auditor only)	-	-
Internal audit costs	136	128
Clinical negligence	1,131	1,061
Legal fees	345	444
Insurance	238	214
Research and development	502	492
Education and training	2,075	1,337
Expenditure on short term leases (current year only)	-	-
Expenditure on low value leases (current year only)	-	-
Variable lease payments not included in the liability (current year only)	-	-
Operating leases expenditure (comparative only)		15,596
Early retirements	-	-
Redundancy	-	-
Car parking & security	1,554	2,878
Hospitality	10	-
Losses, ex gratia & special payments	29	75
Grossing up consortium arrangements	-	-
Other services, eg external payroll	1,232	1,162
Other	299	543
Total	**325,925**	**313,756**
Of which:		
Related to continuing operations	325,925	313,756
Related to discontinued operations	-	-

Note 7.2 Other auditor remuneration (Group)

There was no other auditor remuneration in 2022/23

Note 7.3 Limitation on auditor's liability (Group)

The limitation on liability for the auditor's external audit work is £ 2 million

Note 8 Impairment of assets (Group)

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	1,135
Over specification of assets	-	-
Abandonment of assets in course of construction	-	915
Unforeseen obsolescence	2,780	-
Loss as a result of catastrophe	-	-
Changes in market price	(1,023)	(639)
Impairments of charitable fund assets	-	-
Other	338	-
Total net impairments charged to operating surplus / deficit	**2,095**	**1,411**
Impairments charged to the revaluation reserve	37	(1,203)
Total net impairments	**2,132**	**208**

1) the Trust has an impairment of £ 338k relating to the project to build a new health hub on the Brighton General Hospital site. Primarily due to the Covid19 pandemic the project has been significantly delayed and a new business case being developed. The impairment represents all remaining spending dating to before May 2020.
2) The Trust's patient information system Systm1 is capitalised as an intangible asset. Due to technology changes and changes in requirements the system is being updated and improved across the organisation. This has led the Trust to reconsider the carrying value of the asset and to make an impairment of £ 1,442K representing all spending prior to 2019/20.
3) We have assessed that the carrying value of the Trusts telephone handset system is too high. The Trust has invested significantly in communications technology since 2020, rendering much of the previous technology largely obsolete. We have assessed the value of the impairment as £ 1,332 K.
4) Inflation related upward valuation of the estate has led to a reversal of previous impairments of buildings.

Note 9 Employee benefits (Group)

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	177,457	177,172
Social security costs	17,392	16,063
Apprenticeship levy	845	837
Employer's contributions to NHS pensions	44,622	30,687
Pension cost - other	57	47
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	8,464	8,064
NHS charitable funds staff	-	-
Total gross staff costs	**248,837**	**232,870**
Recoveries in respect of seconded staff	-	-
Total staff costs	**248,837**	**232,870**
Of which		
Costs capitalised as part of assets	2,258	2,682

Note 9.1 Retirements due to ill-health (Group)

During 2022/23 there were 3 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £43k (£134k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 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 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Pension Costs - NEST Pension Scheme

The Pensions Act 2008 and 2011 automatic enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement.

The auto-enrolment 'staging' date for Sussex Community NHS FT compliance was 1 September 2013. For those staff not entitled to join the NHS Pension Scheme the Trust utilised an alternative pension scheme called NEST to fulfil its automatic enrolment obligations.

NEST stands for National Employment Savings Trust and is a defined contribution pension scheme established by law to support the introduction of auto-enrolment.

Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270 but will be reviewed every year by the Government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This increases in stages to meet levels set by the government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
6 April 2018	3%	2%	5%
6 April 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Trust they can continue to pay into NEST.

NEST Pension members can take their money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take their money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arms length from government and is accountable to Parliament through the Department for Work and Pensions.

Note 11 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	854	34
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	**854**	**34**

Note 12.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	24	39
Interest on other loans	-	-
Interest on overdrafts	-	-
Interest on lease obligations	987	22
Interest on late payment of commercial debt	-	-
Total interest expense	**1,011**	**61**
Unwinding of discount on provisions	-	(8)
Other finance costs	-	-
Total finance costs	**1,011**	**53**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2022/23	2021/22
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses) (Group)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	236	13
Losses on disposal of assets	-	-
Gains / losses on disposal of charitable fund assets	-	-
Total gains / (losses) on disposal of assets	**236**	**13**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on charitable fund investments & investment properties	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Gains/(losses) on remeasurement of finance lease receivables (lessor)	-	-
Gains/(losses) on termination of finance leases (lessor)	-	-
Other gains / (losses)	-	-
Total other gains / (losses)	**236**	**13**

During the year the Trust sold a building at Worthing central clinic resulting in a gain in disposal of £ 0.2 million.

Note 14 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's adjusted surplus for the period was £1.1 million (2021/22 £1.3 million). The Trust's total comprehensive income/(expense) for the period was a deficit of £ 1.2 million (2021/22 £0.8 million surplus).

Note 15 Discontinued operations (Group)

The Trust had no material discontinued activities in 2022/23

Note 16.1 Intangible assets - 2022/23

Group	Software licences £000	Licences & trademarks £000	Internally generated information technology £000	Websites £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	**2,207**	**22**	**11,790**	**-**	**1,024**	**15,043**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	-	**-**
Transfers by absorption	-	-	-	-	-	**-**
Additions	112	-	2,318	-	637	**3,067**
Impairments	-	-	(3,689)	-	-	**(3,689)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	(972)	-	-	-	-	**(972)**
Valuation / gross cost at 31 March 2023	**1,347**	**22**	**10,419**	**-**	**1,661**	**13,449**
Amortisation at 1 April 2022 - brought forward	**1,405**	**16**	**2,787**	**-**	**-**	**4,208**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	-	**-**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	238	5	2,483	-	-	**2,726**
Impairments	-	-	(2,247)	-	-	**(2,247)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	(972)	-	-	-	-	**(972)**
Amortisation at 31 March 2023	**671**	**21**	**3,023**	**-**	**-**	**3,715**
Net book value at 31 March 2023	**676**	**1**	**7,396**	**-**	**1,661**	**9,734**
Net book value at 1 April 2022	**802**	**6**	**9,003**	**-**	**1,024**	**10,835**

Note 16.2 Intangible assets - 2021/22

Group	Software licences	Licences & trademarks	Internally generated information technology	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**2,207**	**22**	**8,984**	**-**	**690**	**11,903**
Transfers by absorption	-	-	-	-	-	**-**
Additions	-	-	4,757	-	394	**5,151**
Impairments	-	-	(1,987)	-	-	**(1,987)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	36	-	(60)	**(24)**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2022	**2,207**	**22**	**11,790**	**-**	**1,024**	**15,043**
Amortisation at 1 April 2021 - as previously stated	**1,161**	**12**	**2,198**	**-**	**-**	**3,371**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	244	4	1,441	-	-	**1,689**
Impairments	-	-	(852)	-	-	**(852)**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Amortisation at 31 March 2022	**1,405**	**16**	**2,787**	**-**	**-**	**4,208**
Net book value at 31 March 2022	**802**	**6**	**9,003**	**-**	**1,024**	**10,835**
Net book value at 1 April 2021	**1,046**	**10**	**6,786**	**-**	**690**	**8,532**

Note 17.1 Property, plant and equipment - 2022/23

Group	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 2022 - brought forward	**7,770**	**30,063**	**-**	**1,200**	**7,017**	**338**	**18,696**	**970**	**66,054**
IFRS 16 implementation - reclassification to right of use assets	-	(424)	-	-	-	-	(3,489)	-	**(3,913)**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	1,862	1,196	-	989	1,049	-	1,540	93	**6,729**
Impairments	-	(37)	-	(338)	-	-	(188)	-	**(563)**
Reversals of impairments	-	1,023	-	-	-	-	-	-	**1,023**
Revaluations	1	(80)	-	-	-	-	-	-	**(79)**
Reclassifications	-	642	-	(683)	-	-	-	41	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	(310)	(344)	-	-	(16)	(81)	(1,096)	(19)	**(1,866)**
Valuation/gross cost at 31 March 2023	**9,323**	**32,039**	**-**	**1,168**	**8,050**	**257**	**15,463**	**1,085**	**67,385**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**4,247**	**327**	**9,803**	**675**	**15,052**
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	-	-	(1,849)	-	**(1,849)**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	2,138	-	-	512	3	2,089	90	**4,832**
Impairments	-	-	-	-	-	-	(132)	-	**(132)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(2,130)	-	-	-	-	-	-	**(2,130)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(8)	-	-	(11)	(81)	(1,096)	(4)	**(1,200)**
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**4,748**	**249**	**8,815**	**761**	**14,573**
Net book value at 31 March 2023	**9,323**	**32,039**	**-**	**1,168**	**3,302**	**8**	**6,648**	**324**	**52,812**
Net book value at 1 April 2022	**7,770**	**30,063**	**-**	**1,200**	**2,770**	**11**	**8,893**	**295**	**51,002**

Note 17.2 Property, plant and equipment - 2021/22

Group	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	**7,290**	**25,908**	**-**	**1,560**	**6,317**	**408**	**16,494**	**945**	**58,922**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	3,955	-	837	700	-	2,202	25	**7,719**
Impairments	-	(2)	-	(915)	-	-	-	-	**(917)**
Reversals of impairments	175	1,669	-	-	-	-	-	-	**1,844**
Revaluations	305	(1,773)	-	-	-	-	-	-	**(1,468)**
Reclassifications	-	306	-	(282)	-	-	-	-	**24**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	(70)	-	-	**(70)**
Valuation/gross cost at 31 March 2022	**7,770**	**30,063**	**-**	**1,200**	**7,017**	**338**	**18,696**	**970**	**66,054**
Accumulated depreciation at 1 April 2021	**-**	**-**	**-**	**-**	**3,747**	**391**	**7,707**	**584**	**12,429**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	1,773	-	-	500	6	2,096	91	**4,466**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(1,773)	-	-	-	-	-	-	**(1,773)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	(70)	-	-	**(70)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**4,247**	**327**	**9,803**	**675**	**15,052**
Net book value at 31 March 2022	**7,770**	**30,063**	**-**	**1,200**	**2,770**	**11**	**8,893**	**295**	**51,002**
Net book value at 1 April 2021	**7,290**	**25,908**	**-**	**1,560**	**2,570**	**17**	**8,787**	**361**	**46,493**

Note 17.3 Property, plant and equipment financing - 31 March 2023

Group	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
Owned - purchased	9,323	27,628	-	1,168	2,734	-	6,600	322	**47,775**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	4,411	-	-	568	8	48	2	**5,037**
NBV total at 31 March 2023	**9,323**	**32,039**	**-**	**1,168**	**3,302**	**8**	**6,648**	**324**	**52,812**

Note 17.4 Property, plant and equipment financing - 31 March 2022

Group	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
Owned - purchased	7,770	25,612	-	1,200	2,075	-	7,183	291	**44,131**
Finance leased	-	424	-	-	-	-	1,640	-	**2,064**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	4,027	-	-	695	11	70	4	**4,807**
NBV total at 31 March 2022	**7,770**	**30,063**	**-**	**1,200**	**2,770**	**11**	**8,893**	**295**	**51,002**

Note 17.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Group	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
Subject to an operating lease	-	2,934	-	-	-	-	-	-	**2,934**
Not subject to an operating lease	9,323	29,105	-	1,168	3,302	8	6,648	324	**49,878**
NBV total at 31 March 2023	**9,323**	**32,039**	**-**	**1,168**	**3,302**	**8**	**6,648**	**324**	**52,812**

Note 17.5 Donations of property, plant and equipment

In the year ended 31 March 2023 the Trust has received £ 97 k donations in respect of assets capitalised during the year . This related to the conservatory at Lewes Victoria Hospital and was from the League of Friends.

Note 17.6 Revaluations of property, plant and equipment

The Valuation Office Agency revalued the Trust's estate as at 31 March 2023. As with the previous year, the Trust adopted a Modern Equivalent Asset approach to its estate, while applying an optimised asset approach to the Brighton General Hospital site. The net effect is that building values have increased by £ 2,841 K. The increase is caused by general price rises and changes in market conditions

In 2021/22 there have been no significant changes in valuation approach, in asset lives, in residual lives or in the approach to the calculation of depreciation. Asset lives are set out in our accounting policy 1.9

The basis of valuation is Current Value in existing use, as defined in DHSC GAM and reflecting the adaptation approved by FRAB to IAS 16. Current Value has regard to the service potential that an asset provides in support of the entity's service delivery. The measurement approaches used to arrive at the Current Value of in use assets are for non-specialised operational assets Existing Use Value (EUV) and for specialised operational assets Depreciated Replacement Cost (DRC). As hospital buildings are regarded a specialised assets, the basis of valuation is DRC.

Note 17.7 Leases - Sussex Community NHS Foundation Trust as a lessee

This note details information about leases for which the Trust is a lessee.

The Trust occupies premises across Sussex where the Trust is a lessee rather than the owner of the building. The majority of these lease arrangements are with NHS Property Services and were previously disclosed as operating lease expenditure, within the operating expenses note. Under the new accounting standard IFRS16 these are now disclosed on the Statament of Financial Position as Right of Use assets. Further details and a breakdown are given in note 18. The NHS Property Services premises are not currently subject to formal lease arrangements and the annual lease is agreed annually. In determining the value of the right of use asset the Trust has made certain assumptions that it considers reasonable.

- That the Trust will remain in the premises for the foreseeable future unless there is evidence to the contrary
- For the purposes of the financial statements we have defined the foreseeable future as 10 years
- The remaining lease term is reviewed at the end of each period and, unless there is evidence to the contrary, will be re-set to 10 years and the asset re-measured accordingly

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 18 Right of use assets - 2022/23

Group	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Intangible assets £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	424	-	-	3,489	-	-	**3,913**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	106,244	-	393	-	-	-	**106,637**	91,916
Transfers by absorption	-	-	-	-	-	-	**-**	-
Additions	-	-	-	-	-	-	**-**	-
Remeasurements of the lease liability	8,803	-	34	-	-	-	**8,837**	8,453
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	**-**	-
Impairments	-	-	-	(3,489)	-	-	**(3,489)**	-
Reversal of impairments	-	-	-	-	-	-	**-**	-
Revaluations	198	-	-	-	-	-	**198**	-
Reclassifications	-	-	-	-	-	-	**-**	-
Disposals / derecognition	(637)	-	(6)	-	-	-	**(643)**	-
Valuation/gross cost at 31 March 2023	**115,032**	**-**	**421**	**-**	**-**	**-**	**115,453**	**100,369**
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	1,849	-	-	**1,849**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	**-**	-
Transfers by absorption	-	-	-	-	-	-	**-**	-
Provided during the year	13,012	-	167	358	-	-	**13,537**	11,082
Impairments	-	-	-	(2,207)	-	-	**(2,207)**	-
Reversal of impairments	-	-	-	-	-	-	**-**	-
Revaluations	(10)	-	-	-	-	-	**(10)**	-
Reclassifications	-	-	-	-	-	-	**-**	-
Disposals / derecognition	(70)	-	(4)	-	-	-	**(74)**	-
Accumulated depreciation at 31 March 2023	**12,932**	**-**	**163**	**-**	**-**	**-**	**13,095**	**11,082**
Net book value at 31 March 2023	**102,100**	**-**	**258**	**-**	**-**	**-**	**102,358**	**89,287**

Net book value of right of use assets leased from other NHS providers	7,380
Net book value of right of use assets leased from other DHSC group bodies	81,907

Note 18.2 Right of use assets - 2022/23

Trust	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Intangible assets £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	424	-	-	3,489	-	**3,913**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	101,021	-	393	-	-	**101,414**	91,185
Transfers by absorption	-	-	-	-	-	**-**	-
Additions	-	-	-	-	-	**-**	-
Remeasurements of the lease liability	8,803	-	34	-	-	**8,837**	8,453
Movements in provisions for restoration / removal costs	-	-	-	-	-	**-**	-
Impairments	-	-	-	(3,489)	-	**(3,489)**	-
Reversal of impairments	-	-	-	-	-	**-**	-
Revaluations	198	-	-	-	-	**198**	-
Reclassifications	-	-	-	-	-	**-**	-
Disposals / derecognition	(360)	-	(6)	-	-	**(366)**	-
Valuation/gross cost at 31 March 2023	**110,086**	**-**	**421**	**-**	**-**	**110,507**	**99,638**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	-	-	1,849	-	**1,849**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	**-**	-
Transfers by absorption	-	-	-	-	-	**-**	-
Provided during the year	12,494	-	167	358	-	**13,019**	11,082
Impairments	-	-	-	(2,207)	-	**(2,207)**	-
Reversal of impairments	-	-	-	-	-	**-**	-
Revaluations	(10)	-	-	-	-	**(10)**	-
Reclassifications	-	-	-	-	-	**-**	-
Disposals / derecognition	(35)	-	(4)	-	-	**(39)**	-
Accumulated depreciation at 31 March 2023	**12,449**	**-**	**163**	**-**	**-**	**12,612**	**11,082**
Net book value at 31 March 2023	**97,637**	**-**	**258**	**-**	**-**	**97,895**	**88,556**

Net book value of right of use assets leased from other NHS providers	7,380
Net book value of right of use assets leased from other DHSC group bodies	81,176

Note 18.3 Reconciliation of the carrying value of lease liabilities

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

	Group 2022/23 £000	Trust 2022/23 £000
Carrying value at 31 March 2022	**476**	**476**
IFRS 16 implementation - adjustments for existing operating leases	106,637	101,414
Transfers by absorption	-	-
Lease additions	-	-
Lease liability remeasurements	8,837	8,837
Interest charge arising in year	987	940
Early terminations	(643)	(402)
Lease payments (cash outflows)	(13,648)	(13,083)
Other changes	-	
Carrying value at 31 March 2023	**102,646**	**98,182**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.
These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.
Income generated from subleasing right of use assets in £0k and is included within revenue from operating leases in note 4.

Note 18.4 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	11,835	9,870	11,305	9,870
- later than one year and not later than five years;	43,034	37,082	41,349	37,082
- later than five years.	52,085	46,205	49,545	46,205
Total gross future lease payments	**106,954**	**93,157**	**102,199**	**93,157**
Finance charges allocated to future periods	(4,308)	(3,494)	(4,017)	(3,494)
Net lease liabilities at 31 March 2023	**102,646**	**89,663**	**98,182**	**89,663**
Of which:				
Leased from other NHS providers		7,411		
Leased from other DHSC group bodies		82,252		

Note 18.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group
	31 March 2022
	£000
Undiscounted future lease payments payable in:	
- not later than one year;	25
- later than one year and not later than five years;	100
- later than five years.	981
Total gross future lease payments	**1,106**
Finance charges allocated to future periods	(630)
Net finance lease liabilities at 31 March 2022	**476**
of which payable:	
- not later than one year;	3
- later than one year and not later than five years;	14
- later than five years.	459
Total of future minimum sublease payments to be received at the reporting date	-

Note 18.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group	Trust
	2021/22	2021/22
	£000	£000
Operating lease expense		
Minimum lease payments	15,596	15,110
Contingent rents	-	-
Less sublease payments received	-	-
Total	**15,596**	**15,110**

	31 March 2022	31 March 2022
	£000	£000
Future minimum lease payments due:		
- not later than one year;	15,499	15,014
- later than one year and not later than five years;	5,275	3,467
- later than five years.	4,809	2,384
Total	**25,583**	**20,865**
Future minimum sublease payments to be received	-	

Note 18.7 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 15.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group 1 April 2022 £000	Trust 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**25,583**	**20,865**
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	**24,961**	**20,537**
Less:		
Commitments for short term leases	-	-
Commitments for leases of low value assets	-	-
Commitments for leases that had not commenced as at 31 March 2022	-	-
Irrecoverable VAT previously included in IAS 17 commitment	-	-
Services included in IAS 17 commitment not included in the IFRS 16 liability	-	-
Other adjustments:		
Differences in the assessment of the lease term	1,530	731
Public sector leases without full documentation previously excluded from operating lease commitments	79,326	79,326
Variable lease payments based on an index or rate	-	-
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	-	-
Amounts payable under residual value guarantees	-	-
Termination penalties not previously included in commitment	-	-
Finance lease liabilities under IAS 17 as at 31 March 2022	476	476
Other adjustments	820	820
Total lease liabilities under IFRS 16 as at 1 April 2022	**107,113**	**101,890**

Note 19.1 Investment Property

The Trust had no investment properties in 2022/23

Note 19.2 Investment property income and expenses (Group)

The Trust had no investment properties in 2022/23

Note 20 Investments in associates and joint ventures

The Trust does not have any investments in associates and joint ventures

Note 21 Other Investments

The Trust does not have any other investments

Note 22 Disclosure of interests in other entities

The Trust has two subsidiaries, Sussex Primary Care Limited and the Trust's charitable funds. Both organisations produce their own financial statements.

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The Trust's charitable funds are not consolidated in these financial statements because they are not material. Further details are in note 1.3 Consolidation. Details of transactions between the Trust and its charity are in note 34 Related Party Transactions.

Sussex Primary Care Limited (SPC) is a company limited by shares, and is 100 per cent owned by Sussex Community NHS Foundation Trust. SPC is registered at the same address as the Trust. SPC was consolidated for the first time in the Trust's 2020/21 financial statements. SPC made a deficit of £ 1.1 million in 2022/23, (£ 724k in 2021/22) which is reflected in the Group financial statements.

Note 23 Inventories

	Group	
	31 March 2023	**31 March 2022**
	£000	**£000**
Drugs	213	219
Work In progress	28	40
Consumables	154	125
Energy	-	-
Other	734	643
Charitable fund inventory	-	-
Total inventories	**1,129**	**1,027**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £384k (2021/22: £678k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £0k).

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 2022/23 the Trust received £366k of items purchased by DHSC (2021/22: £406k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 24.1 Receivables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Contract receivables	21,087	12,580	19,991	11,556
Contract assets	-	-		
Capital receivables	-	-		
Allowance for impaired contract receivables / assets	(1,940)	(1,150)	(1,940)	(1,150)
Allowance for other impaired receivables	-	-		
Deposits and advances	-	-		
Prepayments (non-PFI)	4,084	2,109	4,059	1,976
PFI prepayments - capital contributions	-	-		
PFI lifecycle prepayments	-	-		
Interest receivable	186	-	186	
Finance lease receivables	-	-		
Operating lease receivables	-	-		
PDC dividend receivable	230	-	230	
VAT receivable	515	588	515	588
Corporation and other taxes receivable	-	-		
Other receivables	116	150	116	150
NHS charitable funds receivables	-	-		
Total current receivables	**24,278**	**14,277**	**23,157**	**13,120**
Non-current				
Contract receivables	360	347	4,634	3,253
Contract assets	-	-		
Capital receivables	-	-		
Allowance for impaired contract receivables / assets	(86)	(78)	(86)	(78)
Allowance for other impaired receivables	-	-		
Deposits and advances	-	-		
Prepayments (non-PFI)	-	-		
PFI prepayments - capital contributions	-	-		
PFI lifecycle prepayments	-	-		
Interest receivable	-	-		
Finance lease receivables	-	-		
Operating lease receivables	-	-		
VAT receivable	-	-		
Corporation and other taxes receivable	-	-		
Other receivables	-	-		
NHS charitable funds receivables	-	-		
Total non-current receivables	**274**	**269**	**4,548**	**3,175**
Of which receivable from NHS and DHSC group bodies:				
Current	14,793	8,009	14,793	8,009
Non-current	-	-		

Note 24.2 Allowances for credit losses - 2022/23

	Group	
	Contract receivables and contract assets	**All other receivables**
	£000	**£000**
Allowances as at 1 Apr 2022 - brought forward	**1,228**	**-**
Transfers by absorption	-	-
New allowances arising	-	-
Changes in existing allowances	600	-
Reversals of allowances	-	-
Utilisation of allowances (write offs)	-	-
Changes arising following modification of contractual cash flows	198	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2023	**2,026**	**-**

Note 24.3 Allowances for credit losses - 2021/22

	Group	
	Contract receivables and contract assets	**All other receivables**
	£000	**£000**
Allowances as at 1 Apr 2021 - as previously stated	**1,598**	**-**
Prior period adjustments	-	-
Allowances as at 1 Apr 2021 - restated	**1,598**	**-**
Transfers by absorption	-	-
New allowances arising	-	-
Changes in existing allowances	381	-
Reversals of allowances	33	-
Utilisation of allowances (write offs)	(509)	-
Changes arising following modification of contractual cash flows	(275)	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2022	**1,228**	**-**

Note 24.4 Exposure to credit risk

	31 Mar 2023 receivables	**31 Mar 2022 receivables**
Ageing of allowance for credit losses	**£000**	**£000**
0 - 30 days	-	-
31-60 Days	-	-
61-90 days	-	-
Over 90 days	2,026	1,228
Total	**2,026**	**1,228**
Ageing of non-impaired trade receivables		
0 - 30 days	4,096	3,176
31-60 Days	183	990
61-90 days	196	441
Over 90 days	365	2,327
Total	**4,840**	**6,934**

Note 25 Finance leases (Sussex Community NHS Foundation Trust as a lessor)

There are no finance leases where SCFT is the lessor

Note 26.1 Other assets

There are no other assets

Note 26.2 Non-current assets held for sale and assets in disposal groups

The Trust does not have any non current assets held for sale

Note 26.3 Liabilities in disposal groups

The Trust does not have any liabilities in disposal groups

Note 27.1 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.

	Group	
	2022/23	2021/22
	£000	£000
At 1 April	**32,677**	**26,391**
Transfers by absorption	-	-
Net change in year	5,987	6,286
At 31 March	**38,664**	**32,677**
Broken down into:		
Cash at commercial banks and in hand	11	13
Cash with the Government Banking Service	18,653	32,664
Deposits with the National Loan Fund	20,000	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**38,664**	**32,677**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**38,664**	**32,677**

Note 27.2 Third party assets held by the trust

The Trust does not hold any third party assets

Note 28.1 Trade and other payables

	Group	
	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	19,598	17,280
Capital payables	1,622	1,893
Accruals	25,496	13,362
Receipts in advance and payments on account	5,508	3,947
PFI lifecycle replacement received in advance	-	-
Social security costs	2,322	2,319
VAT payables	-	-
Other taxes payable	1,765	1,686
PDC dividend payable	-	66
Pension contributions payable	3,035	2,870
Other payables	349	630
NHS charitable funds: trade and other payables	-	-
Total current trade and other payables	**59,695**	**44,053**
Non-current		
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	9,161	8,790
Non-current	-	-

Note 28.2 Early retirements in NHS payables above

The payables note above does not include amounts in relation to early retirements:

Note 28.3 Other liabilities

The Trust does not have other liabilities

Note 29 Borrowings

	Group	
	31 March 2023 £000	31 March 2022 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	720	788
Other loans	-	-
Lease liabilities*	11,775	3
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	-	-
NHS charitable funds: other current borrowings	-	-
Total current borrowings	**12,495**	**791**
Non-current		
Loans from DHSC	720	1,440
Other loans	-	-
Lease liabilities*	90,871	473
Obligations under PFI, LIFT or other service concession contracts	-	-
NHS charitable funds: other current borrowings	-	-
Total non-current borrowings	**91,591**	**1,913**

"*The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18

Note 29.2 Reconciliation of liabilities arising from financing activities (Group)

Group - 2022/23	Loans from DHSC	Other loans	Lease liabilities	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	**2,228**	**-**	**476**	**2,704**
Cash movements:				
Financing cash flows - payments and receipts of principal	(788)	-	(12,661)	**(13,449)**
Financing cash flows - payments of interest	(28)	-	(987)	**(1,015)**
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	106,637	**106,637**
Transfers by absorption	-	-	-	**-**
Additions	-	-	-	**-**
Lease liability remeasurements	-	-	8,837	**8,837**
Application of effective interest rate	28	-	987	**1,015**
Change in effective interest rate	-	-	-	**-**
Changes in fair value	-	-	-	**-**
Early terminations	-	-	(643)	**(643)**
Other changes	-	-	-	**-**
Carrying value at 31 March 2023	**1,440**	**-**	**102,646**	**104,086**

Group - 2021/22	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2021	**3,104**	**-**	**501**	**3,605**
Cash movements:				
Financing cash flows - payments and receipts of principal	(876)	-	(3)	**(879)**
Financing cash flows - payments of interest	(41)	-	(22)	**(63)**
Non-cash movements:				
Transfers by absorption	-	-	-	**-**
Additions	-	-	-	**-**
Application of effective interest rate	41	-	-	**41**
Change in effective interest rate	-	-	-	**-**
Changes in fair value	-	-	-	**-**
Early terminations	-	-	-	**-**
Other changes	-	-	-	**-**
Carrying value at 31 March 2022	**2,228**	**-**	**476**	**2,704**

Note 30 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2022	**135**	**731**	**43**	**1,527**	**2,436**
IFRS 16 implementation - adjustments for onerous lease provisions	-	-	-	-	**-**
Transfers by absorption	-	-	-	-	**-**
Change in the discount rate	-	-	-	(13)	**(13)**
Arising during the year	-	-	-	27	**27**
Utilised during the year	(15)	(60)	(9)	-	**(84)**
Reclassified to liabilities held in disposal groups	-	-	-	-	**-**
Reversed unused	-	-	-	-	**-**
Unwinding of discount	-	-	-	-	**-**
Movement in charitable fund provisions	-	-	-	-	**-**
At 31 March 2023	**120**	**671**	**34**	**1,541**	**2,366**
Expected timing of cash flows:					
- not later than one year;	-	73	-	-	**73**
- later than one year and not later than five years;	-	-	-	1,538	**1,538**
- later than five years.	120	598	34	3	**755**
Total	**120**	**671**	**34**	**1,541**	**2,366**

Note 31 Clinical negligence liabilities

At 31 March 2023, £840k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Sussex Community NHS Foundation Trust (31 March 2022: £696k).

Note 32 Contingent assets and liabilities

The Trust does not have any contingent liabilities to disclose

The Trust does not recognise contingent assets

Note 33 Contractual capital commitments

	Group	
	31 March 2023	**31 March 2022**
	£000	**£000**
Property, plant and equipment	1,809	-
Intangible assets	1,500	2,606
Total	**3,309**	**2,606**

Note 34 Other financial commitments

The Trust has no significant commitments to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement):

Note 35 Financial instruments

Note 35.1 Financial risk management

Financial reporting standard IFRS7 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 SCFT has with CCGs and the way CCGs are financed, the Trust is not exposed to the degree of financial risks faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Standing Financial Instructions and policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by the internal auditors.

Currency risk

SCFT is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. SCFT has no overseas operations and therefore has low exposure to currency rate fluctuations.

Market risk

SCFT borrows from government for capital expenditure subject to affordability as confirmed by NHS Improvement. Borrowings are for 1 - 25 years in line with the asset lives of associated assets, and interest is charged at the national loans fund rate, fixed for the life of the loan. SCFT therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies and therefore the Trust has low exposure to credit risk. The maximum exposure relates to the amounts in trade and other receivables as at 31 March 2022. Each month as part of the month end review process all trade and other receivables are reviewed and a provision is made if the debt has a reasonable level of doubt in relation to settlement. This is set out in note 28.4 exposure to credit risk

A provision for debtors outside of the DHSC group boundary is made after 3 months. These are provided in full after a year. Debtors inside the group boundary are provided after 6 months when in the Trust's judgement a default is likely. Debts are written off when all reasonable measure to recover them have been exhausted.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCGs, NHS England and local authorities, which are financed from resources voted annually by Parliament. The Trust is not therefore exposed to significant liquidity risk.

Note 35.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2023	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	19,723	-	-	**19,723**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	38,664	-	-	**38,664**
Consolidated NHS Charitable fund financial assets	-	-	-	**-**
Total at 31 March 2023	**58,387**	**-**	**-**	**58,387**

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	11,580	-	-	**11,580**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	32,677	-	-	**32,677**
Consolidated NHS Charitable fund financial assets	-	-	-	**-**
Total at 31 March 2022	**44,257**	**-**	**-**	**44,257**

Note 35.3 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2023	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	1,440	-	**1,440**
Obligations under leases	102,646	-	**102,646**
Obligations under PFI, LIFT and other service concessions	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	50,100	-	**50,100**
Other financial liabilities	-	-	**-**
Provisions under contract	1,541	-	**1,541**
Consolidated NHS charitable fund financial liabilities	-	-	**-**
Total at 31 March 2023	**155,727**	**-**	**155,727**

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	2,228	-	**2,228**
Obligations under finance leases	476	-	**476**
Obligations under PFI, LIFT and other service concessions	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	32,796	-	**32,796**
Other financial liabilities	4	-	**4**
Provisions under contract	1,527	-	**1,527**
Consolidated NHS charitable fund financial liabilities	-	-	**-**
Total at 31 March 2022	**37,031**	**-**	**37,031**

Note 35.4 Fair values of financial assets and liabilities

Due to the relatively straightforward nature of the Trust's assets and liabilities, carrying value is deemed to be a reasonable proxy for fair value

Note 35.5 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group	
	31 March 2023	31 March 2022
	£000	£000
In one year or less	62,656	33,614
In more than one year but not more than five years	45,293	3,068
In more than five years	52,085	981
Total	**160,034**	**37,663**

Note 36 Losses and special payments

	2022/23		2021/22	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	-	-	27	14
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned	25	25	3	324
Stores losses and damage to property	-	-	-	-
Total losses	**25**	**25**	**30**	**338**
Special payments				
Compensation under court order or legally binding arbitration award	5	25	8	43
Extra-contractual payments	-	-	-	-
Ex-gratia payments	10	3	5	318
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**15**	**28**	**13**	**361**
Total losses and special payments	**40**	**53**	**43**	**699**

Compensation payments received

Note 37 Gifts

The Trust has a policy of not making gifts

Note 38 Related parties

Non Executive Director Mark Swyny is also a Non Executive Diector at NHS Supply Chain.

Be Content, a private company limited by shares, was engaged by the Trust in 2022/23 to support the re-writing of content for the Trust's intranet, to a value of £25k in the year. Diarmaid Crean, Chief Digital and Technology Officer, has declared an indirect interest in this company for which his sibling is a freelance worker.

Except for the above, during the year none of the Department of Health Ministers, Sussex Community NHS Foundation Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Sussex Community NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year Sussex Community NHS Foundation Trust has had a number of significant transactions with the Department, and with other entities for which the Department is regarded as the parent. The major entities are listed below.

- NHS Sussex ICB
- NHS West Sussex CCG
- NHS Brighton and Hove CCG
- NHS East Sussex CCG
- NHS England Group
- NHS Property Services
- University Hospitals Sussex NHS Trust
- Health Education England
- Surrey and Sussex Healthcare NHS Trust
- East Sussex Healthcare NHS Trust
- Sussex Partnership NHS Foundation Trust
- NHS Surrey Heartlands ICB
- NHS Kent ICB
- NHS Resolution
- NHS Supply Chain

The Trust has had a number of material transactions with other government departments and other central and local government bodies. The largest of these are with Brighton and Hove City Council and West Sussex County Council in respect of services provided under contract.

In November 2018 the Trust established a subsidiary company, Sussex Primary Care Limited. During the year the Trust provided various back office and support services to Sussex Primary Care, for which it has recharged a fee of £ 70k. The Trust charged rent of £ 94 k for use of GP premises owned by the Trust. Also during the year the Trust made various creditor and other payments on behalf of Sussex Primary Care, which are then recharged to Sussex Primary Care. At the 31 March 2021 Sussex Primary Care owed £4,272 K to the Trust. SPC is consolidated in these accounts and the intercompany balance has been eliminated on consolidation.

The Trust Board is also the Trustee of the Sussex Community NHS FT Charitable funds. During the year the Trust made various payments on behalf of the Charity, for which it recharged the Charity. These are reflected in the year end accounts as a receivable of £ 487 K with the Charity. The Trust also raised annual charges of £130 K to the Charity. This related to the annual management charge, the costs of the charity manager and support and fund raising expenses. The equivalent charge last year was £ 137k.

Note 39 Transfers by absorption

There have been no transfers by absorption during the year

Note 40 Prior period adjustments

There are no prior period adjustments to disclose

Note 41 Events after the reporting date

There are no material events after the reporting period to disclose

Grant Thornton

Sussex Community NHS Foundation Trust

Auditor's Annual Report for the year ended 31 March 2023

June 2023

Contents

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. 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.

Executive summary

Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Trust's arrangements under specified criteria and 2022-23 is the third year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Criteria	Risk assessment	2022-23 Auditor judgement on arrangements	
Financial sustainability	No risks of significant weakness identified	A	No significant weaknesses in arrangements identified, but three improvement recommendation made to support the Trust in improving financial sustainability arrangements.
Governance	No risks of significant weakness identified	G	Our work did not identify any areas where we considered that key or improvement recommendations were required.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	A	No significant weaknesses in arrangements identified, but two improvement recommendations made to improve data quality and for the Trust to consider timeliness of performance reporting to the Board.

No significant weaknesses in arrangements identified or improvement recommendation made.
No significant weaknesses in arrangements identified, but improvement recommendations made.
Significant weaknesses in arrangements identified and key recommendations made.

Executive summary

Financial sustainability

The Trust has delivered an adjusted £0.05m surplus (control total basis) in 2022-23 which was in line with the breakeven plan, and consistent with financial performance over a number of years. The Trust and Sussex system have set a breakeven financial plan for 2023-24. The Trust has a challenging £16.7m Cost Improvement Programme (CIP) target for 2023-24, and although the Trust has made good progress in identifying opportunities to date, it is important the Trust continues to assess the level of risk and how this risk can be mitigated. The Long Term Financial Model was updated at the end of 2021-22 and the Trust is looking to update this before the end of September 2023. We have made three improvement recommendations linked to CIP delivery in 2023-24, development of the medium-term financial plan and in-year financial reporting. Overall, we have not identified any significant weaknesses in financial sustainability arrangements for 2022-23. See pages 9 to 14 for more detail.

Governance

The Trust has a well-established governance framework and appropriate risk management processes and procedures in place to manage strategic, corporate and operational risks. Informed decision-making at the Trust is appropriately enabled and supported by the governance and reporting structures, and there is evidence of appropriate review and challenge from those charged with governance. Overall, we have not identified any significant weaknesses in governance arrangements for 2022-23. See pages 15 to 17 for more detail.

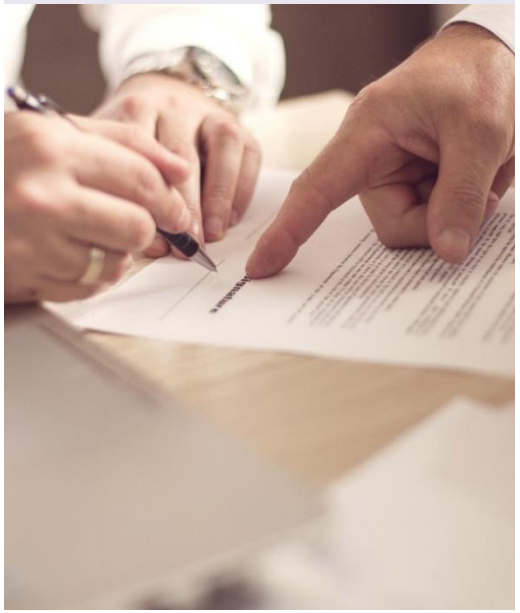
Improving economy, efficiency and effectiveness

The Trust has appropriate arrangements in place to monitor and report on its performance through the organisation, from service to Board. The Trust is in the process of reviewing performance indicators reported in its Integrated Performance Report (IPR) for 2023-24, and this includes consideration of data quality. The Trust has a data quality framework developed in collaboration with its internal audit provider, but this is still developing and needs to include accountability structures, consistent data models and training requirements. We made a recommendation last year regarding data quality assurance to the Board in respect of performance reports, and this recommendation is rolled forward.

There is evidence that the Trust is appropriately engaged in developing collaboration arrangements and working with its partners to address joint challenges and solutions, for example in developing and delivering a virtual wards programme and involvement in addressing health inequities across the system. Overall, we have not identified any significant weaknesses in economy, effectiveness and efficiency arrangements for 2022-23. See pages 18 to 23 for more detail.

Financial statements opinion

Our findings are set out in further detail on pages 25 to 28.



Value for money arrangements and key recommendations

Securing economy, efficiency and effectiveness in the Trust's use of resources

All NHS trusts are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Trust's responsibilities are set out in Appendix A.

NHS trusts report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Trust can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium-term (3-5 years).

Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Trust makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Our commentary on the Trust's arrangements in each of these three areas, is set out on pages 9 to 23.

In addition to our financial statements audit work, we perform a range of procedures to inform our value for money commentary:

- Review of Board and committee reports
- Regular meetings with Senior officers
- Interviews with other Board members and management
- Attendance at Audit Committee
- Considering the work of internal audit
- Reviewing reports from third parties including the Care Quality Commission and correspondence with NHS England
- Consideration of other sources of external evidence such as the NHS National Staff Survey, Healthwatch reports, etc
- Reviewing the Trust's Annual Governance Statement and other publications

The current NHS landscape

National context

As we emerge from the worst of the COVID-19 pandemic, the health and care sector continues to face extreme challenges. The backlog of postponed procedures and operations makes elective recovery a priority. Waiting lists are higher than they have been for a decade and those waiting the longest are often those with additional complexities. There are numerous workforce pressures including retention, recruitment, reducing reliance upon bank and agency staff and having staff with the right skills delivering the right services. The introduction of Integrated Care Systems has changed the NHS Landscape and encouraged greater partnership working not only with other health organisations, but also social care and Local Authority bodies. Shifting from the Commissioner/Provider model to system working will take time and relies upon the creation of strong and trusted relationships at both a senior and middle management level.

The changes in government leadership, coupled with cost of living pressures, has meant that 2022-23 is seeing attention returning for grip and control over finances. The block funding seen during the pandemic is shifting to activity-based and the regulators are expecting high clinical standards and improvements through savings or productivity to be delivered. Cash balances remained high during the pandemic. which have initially allowed non-cash savings to be realised. However, cost savings or productivity improvements will now be required which necessitate wholesale redesign of services and the delivery of savings at a scale not seen for some years. Funding has increased from 2019 levels and yet productivity has not. The scale of transformation required to deliver more for less will take time to deliver.

In 2021-22, the NAO published the Auditor's Annual Report for 204 NHS trusts. Of these, 39 (19%) reported significant weaknesses in their value for money arrangements identified by their auditors. Of these:

- 3 trusts had weaknesses identified in each of the three Code criteria areas compared with 5 trusts in 2020-21.
- 19 trusts reported two significant weaknesses compared with 11 trusts in 2020-21.
- Financial Sustainability and Governance were the two Code criteria with the greatest number of significant weaknesses identified (24 each across a total of 37 trusts). In 2020-21 Governance was the Code criterion with the greatest number of significant weaknesses identified.

Overall, more trusts had significant weaknesses reported in their Auditor's Annual Report. (36 in 2020-21). Whilst Improving Economy, Efficiency and Effectiveness and Governance received a comparable number of reported significant weaknesses, there was an increase in the number of trusts with significant weaknesses reported for their Financial Sustainability arrangements.

Due to the financial pressures experienced by the NHS in 2022-23 and the greater focus from Government and Regulators, it is highly likely that this trend will continue.

2021-22 significant weaknesses reported

2020-21 significant weaknesses reported

Community trusts are a key link to supporting patient flow from an acute inpatient setting and, as such, close links with acute providers are important to ensure that there is clear communication supporting patient pathways and for community beds to be used to their best effect. This can be impacted by frail and complex cases and some parts of the country have proportionally more elderly people, creating strain on services. It is vital that community services understand wider health inequalities and can deliver services meeting the needs of their local populations with both a treatment and wider preventative agenda.

The current NHS landscape

Local context

Sussex Community NHS Foundation Trust is the largest NHS community provider in Sussex, providing medical, nursing and therapeutic care to over 9,000 people every day across. The Trust has a key role to lay in the system as it helps people to plan, manage and adapt to changes in their health, to help keep them in their own homes for longer, prevent avoidable admissions to hospital and minimise any necessary stays in hospitals. The Trust Board approved a new 2022-2026 Trust Strategy in 2022-23. It guides the Trust work with a focus on working in collaboration with partners to provide the best outcomes for patients. The strategy is the culmination of several months of engagement work and collaboration with teams from across the Trust, as well as with patients and external stakeholders. The Trust is currently assessed as being in Strategic Oversight Framework (SOF) Level 1.

The Trust is part of the Sussex Integrated Care System (Sussex ICS), which is assessed as being in SOF2. Each ICS has a statutory NHS Integrated Care Board (ICB) and a wider Statutory Integrated Care Partnership (ICP). The ICB, is responsible for making decisions about health services across its ten constituent boroughs and cities. The ICP, meanwhile, brings together a wider range of health and social care partner organisations, including local authorities, and wider public sector and community organisations, to improve the health and wellbeing of the population of Sussex. In December 2022 the ICS launched its priorities and its Integrated Care Strategy called Improving Lives Together. The Trust is actively engaged with the emerging ICS and ICB in Sussex and the Trust Strategy is aligned to the integrated Care Strategy.

On behalf of the wider ICS, the ICB has - as of 4 May 2023 – submitted a breakeven financial plan to NHS England for 2023-24.

It is within this context that we set out our findings on the Trust's value for money arrangements in 2022-23 and make recommendations to support improvements in its management of value for money in 2023-24.

Financial sustainability and financial governance

We considered how the Trust:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships

Overview

The Trust has delivered an adjusted £0.05m surplus (control total basis) in 2022-23 which was in line with the breakeven plan, and consistent with financial performance over a number of years. The Trust has set a breakeven financial plan for 2023-24, with the Sussex system also planning for breakeven.

The Trust delivered £13.1m versus a £14.5m Cost Improvement Programme (CIP) target in 2022-23, of which £7.9m was recurrent delivery and £5.1m non-recurrent. The final iteration of the Trust plan for 2023-24 (breakeven plan) increased the value of CIP from £14m to £16.7m or 5.2% of operating costs.

The Trust Long Term Financial Model was updated at the end of 2021-22 and reported to the Resources Committee in March 2022. It covered a five-year period to 2026-27 and reflected the best estimate of forecast financial assumptions at the time. Based on discussions with Management we understand the Trust is looking to update its medium/long-term financial plan before the end of September 2023. This will reflect the 2023-24 financial plan and be aligned to the updated workforce and estates plans. Based on discussions we understand work is also currently underway at system level to develop a system medium term plan, which the Trust plan will also need to align with.

The Trust has a well-established process for identifying and managing the risks to its financial position. Key risks to delivery of the 2023-24 plan have been raised in key meetings of the Trust Board and Finance Investment Committee as the plan has been developed over the last few months.

Overall, we have not identified any significant weaknesses in financial sustainability arrangements for 2022-23.

Financial sustainability and financial governance

Short and medium term financial planning

After technical adjustments, including £2.1m impairment, the Trust has delivered an adjusted £0.05m surplus (control total basis) in 2022-23 which was in line with the breakeven plan. The Trust delivered £13.1m of CIP against a target of £14.5m in 2022-23.

Driven by the national planning framework and submission deadlines the development of the 2023-24 financial plan has been an iterative process and has involved close working across the Sussex system:

- The first draft submission of the 2023-24 financial plan in February 2023 was a £8.9m deficit for the Trust, including £14m CIP driven by £3m cost inflation, £2.9m for services funded non-recurrently in 2022-23 and £3m from the full year impact in 2023-24 of service investment made in 2022-23, including the new Urgent Community Response service in High Weald, Lewes and Havens and the Community Stroke services in West Sussex, both of which commenced in November 2022. The Trust's draft plan was part of an overall Sussex deficit of £87.2m.
- The Trust's 2023-24 financial plan submission at the end of March was breakeven, after the Trust secured additional income through system discussions. The Sussex system deficit was £59.7m.
- Following further discussions with NHSE and additional system income, there was agreement amongst system partners to set a system breakeven plan for 2023-24, resulting in a £32.7m additional system efficiency ask. The Trust final plan is breakeven in 2023-24, with CIP increasing to £16.7m (5.2% of operating costs), after loss of £2.7m income as a contribution to the overall system breakeven plan.

In September 2022 the Trust Board approved its new 2022-2026 Trust Strategy, which was developed following engagement work and collaboration with teams from across the Trust, as well as with patients and external stakeholders. The Strategy includes 5 new strategic goals, with one goal focused specifically on sustainability:

"Sustainability - Resources used sustainably to deliver the best value outcomes for patients, reducing the environmental impact and sustainably develop services to better serve local communities and colleagues."

A new People Strategy 2022-26 and Estates Strategy 2022-26 have also been developed in 2022/23. The Financial Planning Framework and Budget Setting Process 2023/24 sets out the strategic context to the planning process and links to the Trust objectives and enabling strategies.

The Trust Long Term Financial Model was updated at the end of 2021-22 and reported to the Resources Committee in March 2022. It covered a five-year period to 2026-27 and reflected the best estimate of forecast financial assumptions at the time. Based on discussions with Management we understand the Trust is looking to update its 5-year financial model and plan before the end of September 2023. This will reflect the 2023-24 financial plan and be aligned to the updated workforce and estates plans. Based on discussions we understand work is also currently underway at system level to develop a system medium-term plan, which the Trust plan will need to align with. We have made an improvement recommendation relating to the development of the Trust medium-term financial plan.

Manging risks to financial resilience

Risks to financial resilience are reviewed on a regular basis in-year recorded on the Trust risk register and/or Board Assurance Framework as appropriate and reported to the Resources Committee and Trust Board. Risks to delivery of the 2023-24 financial plan have been highlighted as part of regular planning updates to the Resources and Trust Board. Key risks in 2023-24 are noted as:

- CIP delivery.
- Demand pressures, particularly for urgent treatment centres but also planned care.
- Agency pay cost spend, with the Trust planning to get spend down to 2022-23 quarter 2 and quarter 3 cost levels.
- System financial pressures and further inflationary pressures.

Financial sustainability and financial governance

Annual savings

The Trust delivered £13.1m against its 14.5m CIP target in 2022-23, of which £7.9m was recurrent delivery and £5.1m non-recurrent.

The final iteration of the Trust plan submitted in May 2023 increased the 2023-24 CIP target from £14m to £16.7m (5.2% of operating costs). Discussions are ongoing about a shared system approach to manage delivery of the additional £2.7m CIP. The Trust's planning process for efficiencies included an agreement that an element of the programme would need to be 'bottom up' in nature, i.e., identified and agreed through services, but that this would need to be augmented by centrally managed, transformational or technical schemes. The bottom-up plans (£7.9m) have been largely generated through services as part of the 2023-24 business planning process. Top-down plans are jointly identified between the services and corporate teams and the target is £6.1m for these schemes.

The deliverability risk (as assessed by Management) of the identified schemes in the 2023-24 CIP plan at 17 May 2023 is shown in the table below:

£million	Secured & - in delivery	High confidence of delivery	Some risk to delivery	Total
Income	2.5	0.2	0.5	3.2
Pay	1.0	1.5	2.2	4.7
Non-Pay	1.6	2.1	1.8	5.5
Total	**5.1**	**3.8**	**4.5**	**13.3**

Source: SCFT Efficiency Programme 2023-24 17 May 2023 Update

As shown above, the Trust has identified £13.3m of schemes to date. In addition to the ongoing discussions at system level about the £2.7m savings, the Trust has also identified a further £9.7m of other opportunity schemes which are classified as higher risk. Work is ongoing to determine whether benefits could be achieved from these opportunities, and in what timeframe. We have raised an improvement recommendation on page 13 regarding development of 2023-24 CIP schemes.

Budget setting and budgetary control

The Trust has a well-established business planning and budget setting process that engages with internal and external stakeholders in the development of the annual plan. The Financial Planning Framework and Budget Setting Process 2023-24 sets out the budget setting principles and process and the responsibilities of budget holders across the Trust.

An appropriately detailed monthly finance report is produced each month, with updates provided to the Resources Committee and Trust Board and reported to the Finance and Investment Committee or Trust Board. The finance report contains key information on the financial performance of the Trust including; executive summary of key messages across income and expenditure (I&E), cash and capital, a RAG rating finance KPI dashboard, summary Statement of Comprehensive Income (SOCI) – previous month, YTD, and forecast outturn, SOCI by service area – previous month and YTD, I&E trend analysis, CIP performance, balance sheet, cash flow and update on the capital programme. Supporting narrative is also provided alongside the tables/charts and is considered appropriate.

Financial reporting to the Resources Committee and Trust Board could be strengthened further to include regular in-year updates on the system financial performance and commentary on any implications/risks for the Trust linked to the reported system performance. We have raised an improvement recommendation on page 13 regarding regular reporting to the Resources Committee/Trust Board of the in-year ICS financial performance.

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Financial sustainability and financial governance

Follow up of previous recommendations

In our 2021-22 VfM report we included the following recommendations:

1. *The Trust should continue to develop efficiency plans, focussing on securing recurring savings that will benefit future years. The plans should include specific approved schemes, with target dates for delivery.*
2. *The Trust should continue to improve medium term financial modelling to include planning assumptions, modelling different scenarios, a balance sheet and cash flow. The medium-term financial model should be regularly reported to Resources Committee and interlink with the annual financial planning process.*
3. *The Trust should continue to progress with the update and approval of the Workforce and Trust Strategies and ensure that other enabling strategies such as Estates are reviewed as well as the renewal of medium-term financial planning. The strategies should be aligned with clear linkages between them.*

We have made further recommendations this year relating to the first two recommendations above. As noted on page 10, the Trust Strategy has been refreshed in 2022-23 and new People and Estates Strategies have also been developed. The Trust is planning to update its medium-term financial plan in the next few months and it is expected that this will be aligned to the new Trust strategies.

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Improvement recommendations – financial sustainability and governance

Criteria impacted	Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Improvement opportunity identified	Although the Trust has made good progress in identifying opportunities to date, there is a higher level of risk associated with delivery of the £16.7m CIP target in 2023-24 and it is important the Trust continues to assess the level of risk contained in it and how this risk can be mitigated.
Recommendation 1	We recommend that the Trust continues to progress at speed in developing a pipeline of CIP schemes so that Management can be confident that it will deliver the £16.7m CIP target and provide remedial action if CIP delivery is off track in 2023-24. The pipeline of CIP schemes will also support delivery in 2024-25.
Management comments	As the report notes, the Trust's Board and Resources Committee have been kept informed of the changing assumptions underpinning the financial plans for 2023/24. The Trust has acknowledged that an efficiency target of £14.0m is challenging for the Trust, and in accepting the stretch target of £16.7m confirmed that the additional £2.7m could not be delivered without a whole system approach to delivering efficiencies. We have confirmed this approach across the system including the Sussex ICB and partner NHS providers. As the report also notes that the Trust has made improved progress in the identification of CIP schemes for 2023/24, identifying £13.3m of schemes with a higher degree of recurrent schemes, with a longer list of further opportunities. Therefore, although acknowledging that, with the additional stretch target comes additional risk to delivery, the progress to date to identify and embed efficiencies for 2023/24 should also be noted. Outside of the core efficiency programme, the Board and Resources Committee has also reviewed and discussed a range of more difficult decisions that the system is reviewing that would deliver financial improvement but, in many cases will also impact on other NHS providers and therefore will require significant engagement and negotiation to achieve. The Trust's Executive Management Group has also reviewed a range of "discretionary" spend areas within the Trust's plans for this year, with a real focus on what areas of spend could be reduced or deferred recurrently or non-recurrently and the likely impact of doing so. As the recommendation outlines, we will continue to look at all areas to achieve cost reduction without impacting adversely on patient care.

Progressing the actions management has identified to address the recommendations made will support the Trust in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations – financial sustainability and governance

Criteria impacted	Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Improvement opportunity identified	Financial reporting could be strengthened to include regular updates on the system financial performance.
Recommendation 2	We recommend that the Trust ensure there is regular reporting to the Resources Committee/Trust Board of the in-year ICS financial performance, including commentary on any implications/risks for the Trust linked to the reported system performance.
Management comments	The Trust acknowledges that the regular updates on system financial performance to the Resources Committee and Trust Board will become increasingly important as the ICS develops. The Trust already includes information on ICS financial performance, although in a less structured way than it might. The Trust included both system and Trust financial data in relation to the 2023/24 plans. We agree that a more structured update on system financial performance would benefit our financial reporting, although there may be some challenges in always including the most up to date system position, we are expecting to demonstrate immediate progress on this with our reporting to the Resources Committee in June.
Criteria impacted	Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Improvement opportunity identified	Work is required to develop/update the system and Trust's medium/long term financial plans to provide assurance that the Trust can achieve reported and underlying financial sustainability in the next 3-5 years.
Recommendation 3	The Trust should develop a medium-term financial plan (3-5 years) that: - is updated with the latest 2023-24 financial plan and assumptions; - is aligned with other Trust plans (for example workforce, operational plans and estates) and is aligned with the system medium term financial plan and assumptions; and - is underpinned by a detailed pipeline of financial opportunities over the 3-5 year period.
Management comments	Longer term financial modelling has become challenging in an environment where the financial regime in the NHS has changed so regularly and significantly. The arrangements for 2023/24 for example are very different from those that existed in 2022/23. As a result of this, we have held off investing significant resources since March 2022 in reworking our long-term financial plans. However, as the report highlighted, we have committed to completing this work during quarter 3 of the current financial year 2023. This will include detail on potential downsides as well as the key task in identifying downside mitigations. This will incorporate some of the work highlighted in the response to recommendation 1 in relation to longer term CIP delivery and discretionary spend.

Governance

We considered how the Trust:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards, such as meeting legislative/ regulatory requirements and standards in terms of staff and board member behaviour

Overview

We have reviewed the Trust's governance arrangements and have concluded that:

- The Trust has appropriate risk management processes and procedures in place to manage strategic, corporate and operational risks.
- Informed decision-making at the Trust is appropriately enabled and supported by governance and reporting structures, and there is evidence of appropriate review and challenge from those charged with governance.
- Appropriate arrangements are in place to ensure compliance with relevant regulatory and legislative standards.
- The Trust is currently assessed as being in Strategic Oversight Framework (SOF) Level 1.

Overall, we have not identified any significant weaknesses in governance arrangements for 2022-23.

The Board Assurance Framework (BAF)

- The BAF brings together in one place all of the relevant information on the risks to the board's strategic objectives
- They should remain a live document and drive strategic risk management across the Trust and in Board agendas
- Assurances in place and gaps in controls should be mapped to each risk, drawing on many sources of information including internal audit and external regulators
- Using a scoring matrix, risks can be assessed to allow greater scrutiny to those most significant
- We have assessed that with too many strategic objectives or too many risks, it is difficult to maintain a meaningful BAF

Governance

Risk management and internal controls

The Trust has arrangements in place to identify and understand strategic risks, which are set out in its Risk Management Policy. Thematic risks are reviewed monthly, and risks are updated regularly in the BAF. The BAF is reviewed on a quarterly basis by the Board and includes the key strategic risks. Risks are regularly reviewed at executive, Trust Board and committees. Internal audit reviewed the Assurance Framework and Risk Management Process in 2022-23 as a core annual review and provided 'Reasonable' assurance. We are therefore satisfied that arrangements are in place for review of risks by the Board and relevant sub-committees and other governance groups.

The internal audit function is delivered by TIAA who provide progress reports and recommendation trackers to each meeting of the Audit Committee, providing assurance to the Committee regarding internal controls and how effectively these operate. Internal audit updates include reporting on outstanding recommendations. The annual Internal Audit Plan contains an appropriate mix of clinical (e.g. clinical audit) and non-clinical (e.g. cyber security) audits.

The Head of Internal Audit Opinion 2022-23 is as follows: "*TIAA is satisfied that, for the areas reviewed during the year, Sussex Community NHS Foundation Trust has reasonable and effective risk management, control and governance processes in place.*"

There are adequate arrangements in place with respect to the prevention and detection of fraud. The Trust's Local Counter Fraud Specialist provides regular progress reports to the Audit Committee and an annual Counter Fraud Plan is agreed.

From our work we have found no areas of significant weakness in the arrangements for managing and reporting on internal control. The Trust has an effective internal audit and counter fraud function, with adequate monitoring arrangements in place to review their work and gain assurance over the internal control environment.

Informed decision making including the Audit Committee

Our work did not identify any evidence of unlawful decision-making or concerns regarding the 'tone from the top' from Trust leadership. The Trust is currently assessed as being in Strategic Oversight Framework (SOF) Level 1.

The latest staff survey 2022 results are broadly positive, with over half of respondents stating that care is the Trust's top priority, they would recommend the care to family or friends and would recommend the Trust as a place to work.

Papers received by the Trust Board are clearly marked as for approval, assurance, discussion or briefing. From our review of papers, we did not any instances that indicated unlawful decision-making, or decision-making that could expose the Trust to significant risk. Where approval or a decision was required, we noted good discussion of the item and, in some instances, approval subject to amendments or updates being made prior to subsequent Board meeting.

From our attendance at Audit Committee meetings and review of public and private Trust Board meeting papers and minutes, in our view those charged with governance are sufficiently informed to challenge effectively the decision making and wider activities of executive leadership.

Standards and behaviours

The Trust has appropriate arrangements in place, documented through the following policies and procedures: Anti-Fraud, Bribery and Corruption Policy; Communicating Safely and Secure Transfer of Personal Confidential Data; Standards of Business Conduct Policy; Standing Orders; and Standing Financial Instructions.

Internal audit have confirmed that they have not been made aware of any significant non-compliance or breaches of legislation or regulatory standards during the year. In conclusion the Trust manages standards and behaviour well.

A specific cyber security function was created during 2022-23, with new roles added and interviews were in progress for a new Cyber Lead. The Trust worked together with national cyber security organisations including NHS Digital.

In 2022-23 the Trust reported two serious information governance incidents to the Information Commissioner's Office (ICO). Due to the follow-up actions put in place by the Trust after the first incident, the ICO subsequently closed the incident on with no further action required. A full investigation into the second incident followed and the ICO confirmed on 11 February 2023 that the Trust had managed the incident appropriately and no further action was required.

In conclusion the Trust has appropriate frameworks in place to ensure compliance with relevant regulatory, legislative and professional standards. Our work this year did not identify any instances of non-compliance that would suggest these arrangements are not effective.

Governance

NHS Leadership

- Leadership plays a key role in shaping the culture of an NHS organisation
- NHS leaders are facing considerable challenges, including significant financial and operational pressures and high levels of regulation
- This is reflected in high vacancy rates and short tenures among senior leaders that risk undermining organisational culture and performance
- Many of the recent NHS failures have come from poor leadership. This may be a focus on one aspect of delivery at the expense of another, e.g. prioritising financial performance over clinical care
- Senior leadership should welcome honesty in their assurances, creating an environment where staff can be open and flag risks
- Boards should remain alert to the question, "could we have a problem and how do we know we don't?"

Follow up of previous recommendations

Our VfM report for 2021-22 included the following recommendation:

1. *The Trust should ensure that risks are reviewed in accordance with agreed target dates. So that risk registers are up to date when reviewed by Audit Committee and the Board.*

Based on our review of risks management arrangements and discussions with Management, we are satisfied that the recommendation has been actioned.

Improving economy, efficiency and effectiveness

We considered how the NHS Trust:

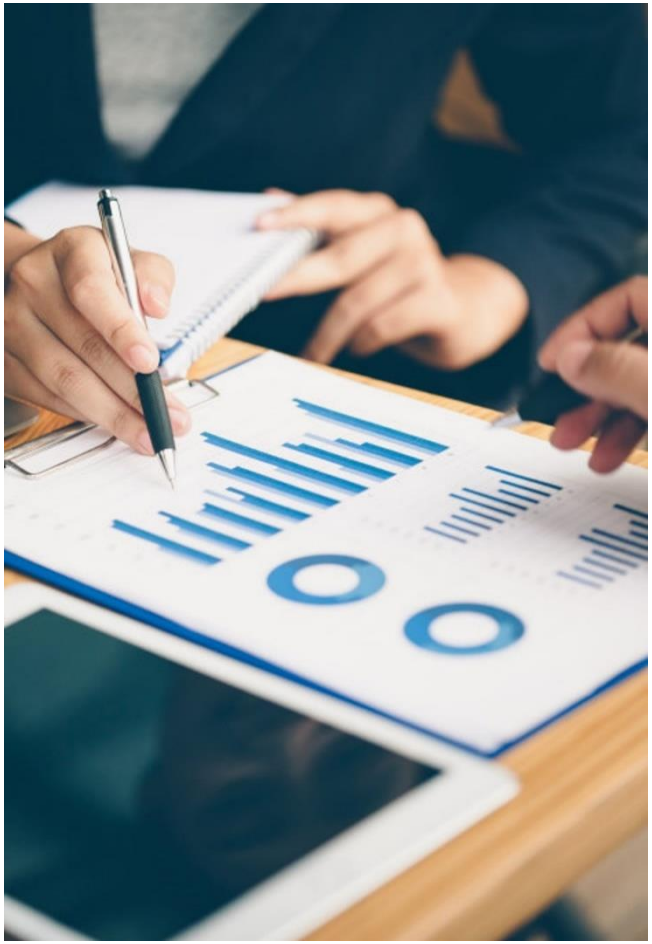
- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits

Overview

We reviewed the Trust's economy, efficiency and effectiveness arrangements and have concluded that:

- The Trust has arrangements in place to monitor and report on its performance through the organisation, from service to Board.
- The Trust is in the process of reviewing performance indicators reported in its Integrated Performance Report (IPR) for 2023-24, and this includes consideration of data quality. A data quality related risk is also contained in the Board Assurance Framework (BAF), confirming that the Trust has a data quality framework developed in collaboration with TIAA as the internal audit provider, but this is still developing and needs to include accountability structures, consistent data models and training requirements. We made a recommendation last year regarding data quality assurance to the Board in respect of performance reports, and this recommendation is rolled forward.
- Based on our discussions and review of documents, we are satisfied that the Trust has put arrangements in place to understand the causes of under-performance.
- The Trust engages proactively and regularly in key partnerships, such as the Integrated Care System (ICS) and contributes to local ICS plans.
- There are processes in place to ensure the Trust is monitoring performance of its key service providers, subcontractors and major projects.

Overall, we have not identified any weaknesses in economy, effectiveness and efficiency arrangements for 2022-23.



Improving economy, efficiency and effectiveness

Assessing performance and identifying improvement

Performance reporting has remained largely consistent with the previous year. Performance is monitored, comparing actual to targeted performance against a number of key performance indicators (KPIs), which are reported via the IPR to the Trust Board. The IPR sets out key metrics for a range of areas - Quality, Operational Performance, Workforce and Finance. Reporting is on an exception basis, with a spotlight page providing additional information on key areas of focus. The KPIs include those set out in the Single Oversight Framework but also includes a number of other indicators, agreed by the Board, which reflect performance against the organisational objectives and the Care Quality Commission (CQC) domains of safe, caring, effective, responsive and well-led.

We note performance is reported to the Trust Board with sometimes a two-three month lag due to the Committee meeting cycle. We are satisfied that the Quality Committee and Resources Committee receive relevant performance information in a timely manner, but have raised an improvement recommendation on page 22 regarding alignment of the Committee and Board meeting cycles so the Board is able to receive and challenge a more up-to-date IPR.

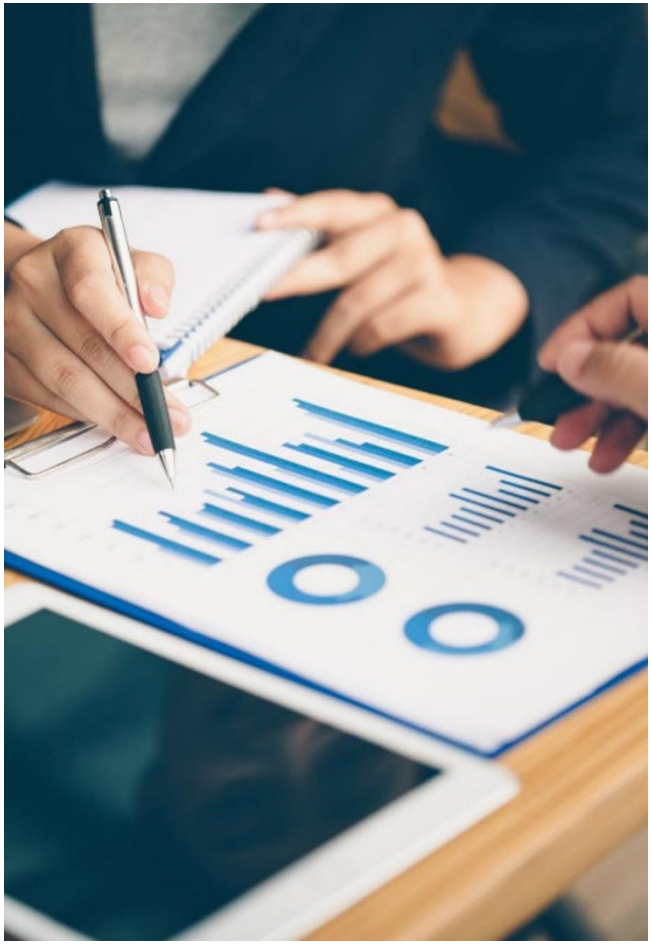
Data quality is subject to assurance from the Trust's internal auditors. In 2021-22 and 2022-23, the following data quality audits took place:

- Performance DQ – Average Length of Stay (Substantial assurance)

- Performance DQ – Annualised Staff Turnover (Reasonable Assurance)

- Data Quality – IPR (Reasonable Assurance)

The Trust is in the process of reviewing performance indicators reported in its IPR for 2023-24, and this includes discussion of data quality. A data quality related risk is also contained in the BAF, confirming that the Trust has a data quality framework developed in collaboration with TIAA as the internal audit provider, but this is still developing and needs to include accountability structures, consistent data models and training requirements. We made a recommendation last year regarding data quality assurance to the Board in respect of performance reports, and this recommendation is rolled forward, refer to page 22 for detail.



Improving economy, efficiency and effectiveness

Workforce pressures

There are significant workforce challenges across all roles and all regions. Many bodies are reporting that the recruitment and retention of skilled and experienced staff is their greatest risk.

How the NHS found itself in this position is a complex picture; a perfect storm.

- **Historic understaffing:** inadequate workforce planning with insufficient funding and infrastructure.
- **Declining wellbeing:** delivering care amid persistent staff shortages with agency staff and normalised increased workloads.
- **Early retirements:** staff choosing to retire earlier than planned has reduced both capacity and experience.
- **Poor retention:** greater workloads and stressful working conditions have increased attrition.
- **Pay pressures:** recent strike action has highlighted the level of feeling from NHS workers.

Assessing performance and identifying improvement

The Trust was inspected by the Care Quality Commission (CQC) in autumn 2017. The quality of the care the Trust provided was rated as 'Good' overall, and 'Outstanding' in some areas. From our review of Quality Improvement Committee papers and minutes, we note that the Trust continues to monitor changes in the regulatory landscape to ensure its compliance.

The Trust uses benchmarking to improve its services. We have been provided with an example of analysis where the Trust was an outlier amongst peers. The Trust put in place quality improvement work to examine the reasons for longer stays and variations and develop plans to reduce variation and ensure length of stay is optimal. The Trust is using Model Hospital, Patient Level Information and Costing System and Service Level Reporting data to benchmark costs internally and externally. Information is used to review the performance of services and to support development of CIP opportunities. Updates are provided to the Resources Committee on the use of costing information highlighting the unit cost of individual services – for example comparison of the cost per episode and cost per bed day for each of the Trust's inpatient units, which is also compared to external benchmarks.

Partnership working

The key partnership the Trust engages in is with the Sussex Integrated Care System (ICS). We observed appropriate engagement with the ICS through the Trust's participation in development of the system Shared Delivery Plan, which sets out the actions to be taken in 2023-24 to implement the system Integrated Care Strategy. Decision-making and accountability arrangements are discharged through the Integrated Care Board (ICB).

The Trust Board receives appropriate updates on ICS initiatives and there are plans to further formalise this through a framework on Board oversight of collaborative working, presented to the Board in March 2023. We consider the proposed framework to be appropriate.

Key live ICS projects are reported to the Resources Committee as part of a Portfolio update – for example, we note reporting of progress on a system-driven Musculoskeletal (MSK) Transformation project to the March 2023 committee meeting. This ensures Trust leadership is able to track progress and assure itself of issues being raised and outcomes delivered. There is also a system-wide approach to ensuring sustainability and moving towards Net Zero, which received an extensive update at the Resource Committee.

The Trust has in place a comprehensive Communications and Engagement Plan setting out how and when it engages with its key stakeholders, including internal and external stakeholders. The Patient and Carer Experience and Involvement Strategy presented to the Quality Improvement Committee sets out in detail how the Trust is proposing to engage specifically with its patients and carers. The Trust could also demonstrate how it engaged with its partners in developing some of its existing strategic priorities – for example, through its Life Stage Frameworks that have been developed in consultation with patients and staff.

There is evidence that the Trust is appropriately engaged in developing collaboration arrangements and working with its partners to address joint challenges and solutions, for example in developing and delivering a virtual wards programme with University Hospitals Sussex and involvement in addressing health inequities across the system.

Improving economy, efficiency and effectiveness

Commissioning and procurement

We are satisfied that the Trust has appropriate mechanisms in place to monitor key service providers and sub-contractors performance and manage issues that may arise.

The Trust has the same Procurement Strategy in operation as it did in 2022-23. The policy outlines how the Trust monitors key service providers and is due for review in June 2023 when significant post-Brexit legislative changes will necessitate a full review and re-write.

A bi-annual contract update and performance report is presented to the Resources Committee. This sets out current contract arrangements and performance, future re-procurements, and risks for the current and upcoming 2023-24 contracting round. We noted that no issues were highlighted in the latest February 2023 update. Portfolio reports presented to the Resources Committee provide updates on key projects critical to delivery of the Trust's strategic objectives. The procurement team provides support in relation to contract management.

As relationships continue to develop across the ICS, the Trust is starting to consider joint procurement opportunities and efficiencies. The Trust is leading a multi-trust collaborative electronic patient records procurement across the South East region and there are plans to engage with the Sussex Collaborative Procurement Group to maximise value for money in future procurements

The Trust has an Investment Policy which sets out the governance principles for capital investment and the processes used to optimise investment decisions. The monthly Capital Review Group considers applications for capital funding through the submission of business cases.

The Audit Committee receives quarterly waiver reports. These identify the number and value of waivers and whether they are repeat waivers. The Trust has established rules on procurement and the economic value (risk and reward) of those. Each procurement exercise which breaches the threshold (numerically or by nature) must be put to open tender.

Follow up to previous recommendations

In our 2021-22 VfM report we included the following recommendations:

1. *Agree with the ICB what performance metrics it will be measured against once it is established, and include these in the Integrated Performance Reports to the Board.*
2. *Implement a Data Quality Framework and data quality action plans. The Board should be provided with assurance as to the data quality of the performance indicators reported to the Board and its committees.*

In respect of the first recommendation above, we have made a new recommendation in the financial sustainability section of the report on page 13 regarding Trust reporting of the financial position of the system. As noted on page 20 the Trust Board receives appropriate updates on ICS initiatives and there are plans to further formalise this through a framework on Board oversight of collaborative working, presented to the Board in March 2023. We consider the proposed framework to be appropriate, and therefore consider recommendation 1 above to have been actioned.

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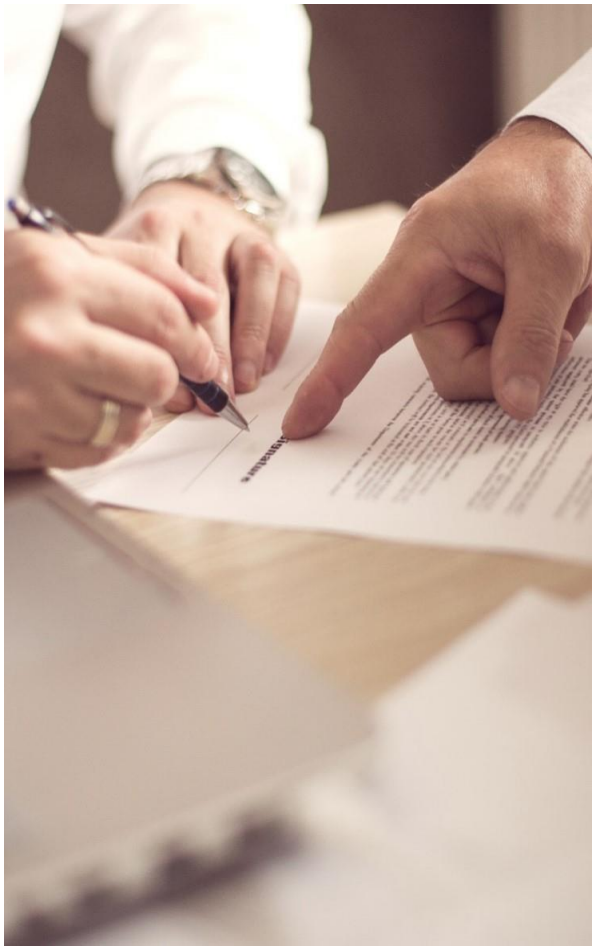


Improvement recommendations – economy, efficiency and effectiveness

Criteria impacted	Economy, efficiency and effectiveness
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Improvement opportunity identified	Alignment of the Integrated Performance Report (IPR) timetable to facilitate earlier review of latest performance data.
Recommendation 4	The Trust may wish to consider aligning the Committee and Board meeting cycles so the Board is able to receive and challenge a more up-to-date IPR.
Management comments	The work to review the reporting cycle of the Board and sub-committees, including a review of the reporting timeline for the Trust Integrated Performance Reporting (IPR) has already been taken forward by the Trust. In March 2023, the Trust Board reviewed options for the timing of IPR reporting to its monthly meetings. The preferred option was to bring the IPR reporting forward by 3 weeks, from the current date and this was approved by the Board. This would have the advantage of providing more timely data to the Board whilst still allowing an appropriate level of analysis to support the data to be included. This timeline was shown to be similar to a large number of other NHS Trusts. However, it was recognised that because of the need to align the Board reporting dates with sub-committees and the reporting timetable, there were logistical challenges to changing the dates immediately and further work would be required to develop plans that allowed this to happen. The Trust Board is due to review the reporting timetable as part of its half-yearly review of the reporting in Autumn 2023.

Progressing the actions management has identified to address the recommendations made will support the Trust in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations – economy, efficiency and effectiveness

Criteria impacted	Economy, efficiency and effectiveness
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Improvement opportunity identified	Improvements to data quality framework.
Recommendation 5	The Trust should ensure its data quality framework includes accountability structures, consistent with data models and training requirements, and that there is a suitable plan for wider staff training.
Management comments	The report recognises that the Trust continues to use its internal audit plan to help to review the effectiveness of and develop improvement plans to support the data quality of metrics reported through the IPR. During 2021/22 and 2022/23 two specific metrics were audited (one providing "substantial" assurance and one "reasonable assurance") with a further, more general audit of the IPR reporting process ("reasonable" assurance). A fourth audit on data quality of PDR appraisals is due to be completed shortly. This will continue into 2023/24 and two further data quality audits are included within plans for the current financial year. From the 2 most recent audits, where substantial assurance was not given, this was in relation to workforce metrics (although when the data was tested no errors were identified, it was recognised that processes were less automated in this area). We acknowledge that there have been relatively more challenges in the reporting of workforce data because of the lack of joined up systems and in some cases of real time reporting and it is an area of focus for the Trust this year, with work to move to a single system for reporting workforce data in "real time" (through expansion of rostering systems to cover all staff) as well as the work underway between Digital and People teams to improve automation and reduce duplication. The Trust has identified data quality as a strategic risk (scored as "12" in the BAF) – "Data Quality and the Effective Use of Data". We have been working to confirm the revised action plan to mitigate and reduce the risk, which has also been highlighted in the VFM report. We also acknowledge that a fundamental part of that plan is the training and education element because the most effective way of improving data quality across the Trust's services is to ensure that staff and other stakeholders have access to the data, understand it and are reviewing appropriately with a view to agreeing any relevant actions. The revised action plan to mitigate the strategic risk will also be the plan that enables us to address the focus of this recommendation, and this will be developed by the end of July 2023.

Progressing the actions management has identified to address the recommendations made will support the Trust in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Opinion on financial statements

Opinion on the financial statements

Grant Thornton provides an independent opinion on whether the Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We conducted our audit in accordance with:

- International Standards on Auditing (UK);
- the Code of Audit Practice (2020) published by the National Audit Office; and
- applicable law.

We are independent of the Trust in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Audit opinion on the financial statements

We issued an unqualified opinion on the Trust's financial statements on 22 June 2023.

The full opinion will be included in the Trust's Annual Report for 2022-23, which can be obtained from the Trust's website.

Further information on our audit of the financial statements is set out overleaf.

Opinion on the financial statements

Timescale for the audit of the financial statements

- The 2022-23 Audit Plan was issued in March 2023 and shared with those charged with governance.
- Our planning and risk assessment visit took place in March 2023 with the final accounts visit taking place in May to June 2023.
- The Trust provided its draft 2022-23 financial statements in line with the national timetable, along with working papers.
- The opinion on the 2022-23 financial statements was issued on 22 June 2023, in advance of the national deadline of 30 June 2023.

Findings from the audit of the financial statements

Detailed findings from the audit of the 2022-23 financial statements are set out in our Audit Findings Report, presented to the Trust's Audit Committee on 13 June 2023.

The 2022-23 Audit Findings Report sets out the significant risks identified for the 2022-23 financial statements audit, along with the procedures performed to address each significant risk – we have not identified any significant matters in relation to these procedures.

No significant adjustments were been made to the 2022-23 financial statements submitted for audit, and no significant recommendations have been made as a result of the financial statements audit.

Requests for this Audit Findings Report should be directed to the Trust.

Other reporting requirements

Remuneration and Staff Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the Trust's Annual Report for 2022-23. These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2022-23.

Annual Governance Statement

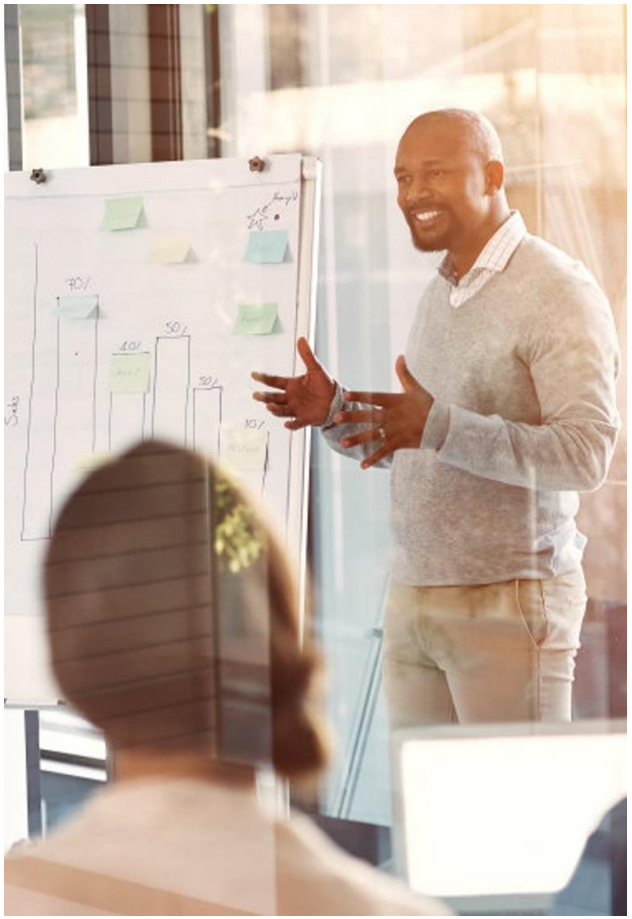
Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2022-23 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We have nothing to report in this regard.

Annual Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether, based on the work undertaken in the course of the audit of the Trust's financial statements for 2022-23, the other information published together with the financial statements in the Trust's Annual Report for 2022-23 is consistent with the financial statements. We have nothing to report in this regard.

Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. Our work is complete and has been submitted to the NAO.



The use of auditor's powers

We bring the following matters to your attention:

Referral to the regulator Under Schedule 10 paragraph 6 of the National Health Service Act 2006, auditors can report to the relevant regulatory body if they have reason to believe that the audited body is: - About to make, or has made, a decision which would involve unlawful expenditure - About to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.	We did not make any referral to the regulator in 2023-24.
Public Interest Report Under Schedule 10 paragraph 3 of the National Health Service Act 2006, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.	We did not issue a report in the Public Interest with regard to arrangements at Sussex Community NHS FT for 2022-23.

Appendices

Appendix A:
Responsibilities of the Foundation Trust

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The directors of the Trust are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Appendix B:
An explanatory note on recommendations

A range of different recommendations can be raised by the Trust's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference(s)
Statutory	Written recommendations to the Trust under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	n/a
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Trust. We have defined these recommendations as 'key recommendations'.	No	n/a
Improvement	These recommendations, if implemented should improve the arrangements in place at the Trust but are not a result of identifying significant weaknesses in the Trust's arrangements.	Yes	Pages 13, 14, 22, 23

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Independent auditor's report to the Council of Governors of Sussex Community NHS Foundation Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Sussex Community NHS Foundation Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2022-23 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2022-23 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022-23; and
- based on the work undertaken in the course of the audit of the financial statements the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 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 incurring of 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.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as Accounting Officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements

in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2022-23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has 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.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit & Risk Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit & Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of fraudulent expenditure recognition. We determined that the principal risk was in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria as defined as part of our risk assessment**;**
  - challenging assumptions and judgements made by management in its significant accounting estimates**;** and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to

fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of land and buildings and IFRS16 included within the accounts.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the health sector and economy in which the Trust operates; and
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation;
    - NHS England's rules and related guidance; and
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – 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 to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 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, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of Sussex Community NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Sophia Brown

Sophia Brown, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

22 June 2023