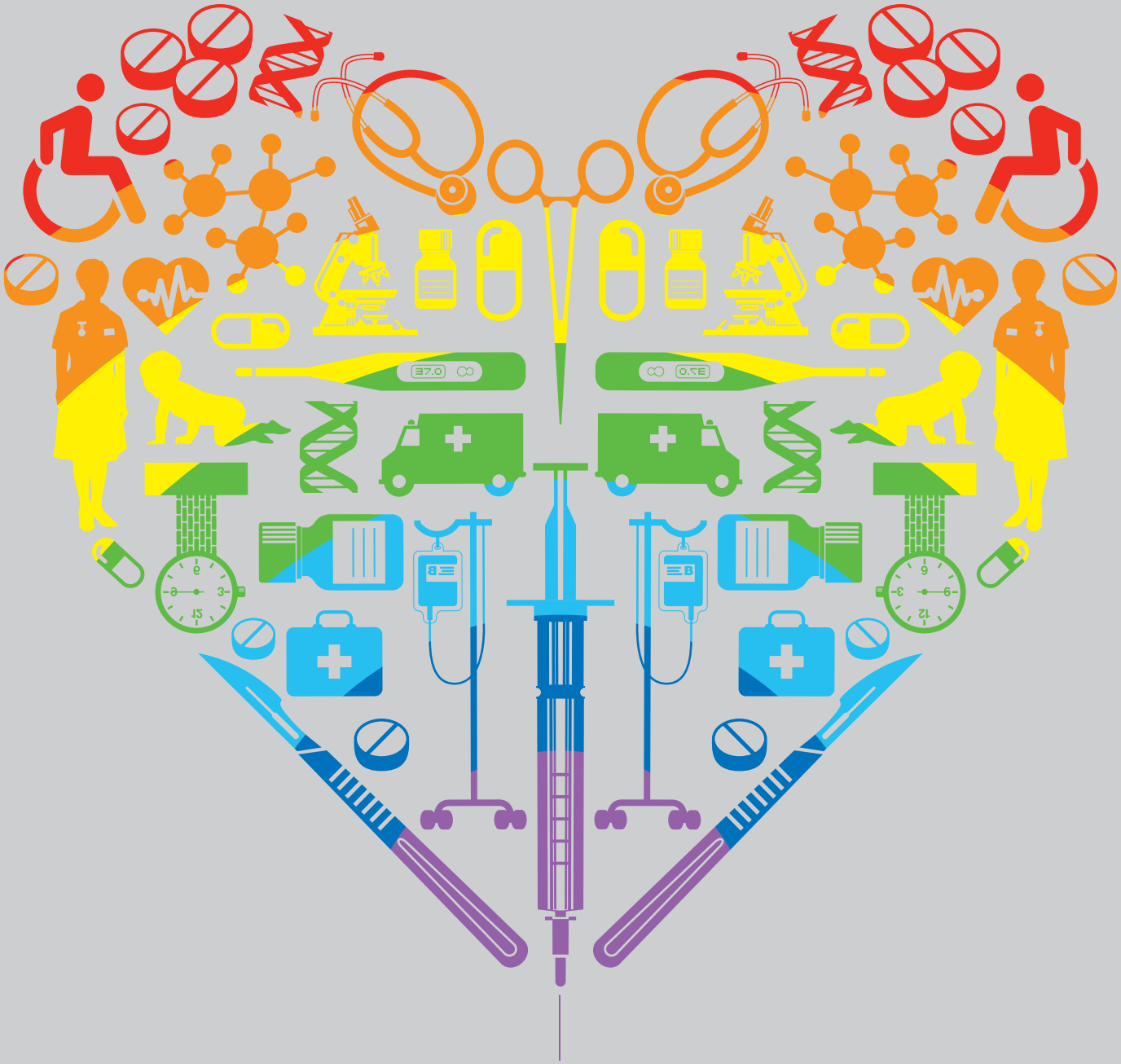
NHS

Luton and Dunstable University Hospital

NHS Foundation Trust



Annual Report and Accounts

for the period April 2019 to March 2020

Luton and Dunstable University Hospital
NHS Foundation Trust

Annual Report & Accounts for the period April 2019 to March 2020

incorporating Quality Account

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

Contents

Introduction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About this Report

The report follows best corporate practice reporting on the Trust's strategy and performance against the objectives. The report presents information on national targets and financial performance and also gives a review of the quality of services.

The report is structured as follows:

Introduction

Statements from the Chairman and the Chief Executive

Strategy

The Trust strategic vision, performance against 2019/20 objectives and the corporate objectives for 2020/21

Operational Performance Report

Includes performance against national targets

Our Patients, Our Staff and Our Partners

Includes other information about patient care, staff, Equality and Diversity and working with partners

Governance Report

Includes details of the Board of Directors, Council of Governors and Foundation Trust membership

Financial Performance Report

Includes performance against financial targets and any risks for the future

Annual Governance Statement and Annual Accounts

Includes the Annual Governance Statement and the annual accounts

Chief Executive and Chair Statement

Last year was a highly significant year in the history of this Trust. We finally received approval from the Prime Minister for the capital funding for the most significant redevelopment of the site since its inception, and we took the final decision to merge with Bedford Hospital.

But as you can imagine, the year that we are reporting on has been considerably altered by the worldwide COVID-19 pandemic. The L&D, the NHS and the country have been significantly affected by its impact both emotionally and the delivery of care services. In this we have been humbled by the way in which our community has supported the hospital in volunteering, in providing services and in their generosity of food and other provisions. This repeats the generosity shown by many sectors of the community to various capital schemes over the year.

Although the end of the year was significantly unprecedented, for most of the year the Trust continued its strong performance in ensuring patients can access our services quickly either through our emergency pathway, as elective outpatients or as a cancer referral. We also met our required Control Total, delivering a surplus of £10.7m (nearly 3% of our turnover). This financial performance has been achieved by good operating efficiency (we have the NHS record lowest 'weighted average unit' – this is the measure used by the Model Hospital to measure productivity).

During the year we concentrated much of our efforts on laying solid foundations to enable us to continue our future success. We were successful in receiving funding for the L&D redevelopment in August 2019 and this has paved the way for the Trust to pick up the plans to merge with Bedford Hospital. This was successfully delivered in April 2020, despite being in the middle of the COVID-19 pandemic, and both sites have been working closely together as a single Trust immediately which has been an unexpected positive from such a challenging situation. Teams have been responsive, worked differently, put in place rapid organisational change and supported their colleagues and patients to maintain safety while working. I have been immensely proud of the teams throughout this time and see positive signs for the future as an integrated, larger organisation.

We have continued to engage actively with the Integrated Care System as we see this as a major part of the solution to achieve a more sustainable local health economy and stem the rising demand for our services. We put in place a Bedfordshire Care Alliance, which David Carter chairs, to support the strategic direction of service planning to identify and resolve the cross site working issues across the patch. The digital strategy remains central to this programme and we as a larger Trust will have a considerable voice in the supportive actions to achieve this aim.

The L&D held two large scale engagement events with staff and we asked our staff to support our redevelopment aspirations and provide some feedback on the merger with Bedford Hospital. We intend to extend these to be multi-site but may have to think differently and do some virtual engagement in light of the current situation.

We must also pay tribute to the Governors who have supported and challenged us in all the major developments over the year and to the hospital Volunteers who give of their time so generously and freely in order to add the additional support to our services and patients.

In all this is great thanks to a dedicated workforce who have been considerably challenged already this year and who we acknowledge in our vision statement as central to our future success in serving our local population. The opportunity to merge with Bedford Hospital and present plans for an Acute service block are in total recognition of their efforts.

David Carter
Chief Executive

Simon Linnett
Chair

Strategy

2020/21 Strategic Approach

This section of the annual report provides a summary of the strategic plans for the Trust. The approach for 2020/21 has been shaped by the response and recovery from the COVID-19 pandemic. However, the challenges remain the same with the added burden of managing COVID-19.

Against this changing environment the Trust's strategy has a number of different drivers:

- we have a highly deprived young urban population in Luton with a life expectancy of one year less than the average for England, and a dispersed, ageing, more affluent population in Bedfordshire and North Hertfordshire;

- the continued population growth, twice the national average, will have 150,000 (20-25%) more people living in the Bedfordshire, Luton, Milton Keynes Integrated Care System (BLMK ICS) area by 2032, and we are part of the Oxford/Cambridge Arc which has the aspiration of 1m new houses across the Arc by 2050;

- we have a national reputation for our delivery of emergency care but there is increasing recognition, locally and nationally, that the future of emergency care is much more integrated between organisations and needs to be more focussed on the complete emergency pathway;

- we are in an area of the South East which has the most acute workforce challenges and we are disadvantaged by being positioned just beyond the area which receives outer London weighting;

- we are at the forefront of IM&T developments in the NHS;

- we have a estate that needs redevelopment on both sites to support the significant growth in demand and address high backlog maintenance;

- we have a complex geography serving three CCGs, three local authorities over two STPs with three community providers and two mental health providers.

Our strategy represents a response to these drivers.

Our staff are central to our strategic vision and all the evidence suggests that L&D is a place people want to work. However, the need to recruit and retain more high quality staff has never before been so important or urgent as the growth and challenges faced mean workforce shortages continue to open up across all staff groups. The recognition of the importance of putting our people at the heart of the strategic vision has been an emerging theme in our discussions regarding the merger with Bedford Hospital and workforce was one of the primary drivers. We believe the merged Trust, with greater scale, offering more opportunities, is a more attractive employer.

This has led to the development of our vision statement:

To attract the best people, value and develop them so that the teams they work in deliver outstanding care to our patients

This vision statement is based on the idea that we will deliver outstanding care through a sequence of events – we will recruit the best people, we will develop and nurture them when they are here, and we will support them to create high performing teams. Outstanding care will not be delivered without this sequence. Following the acquisition of Bedford Hospital NHS Trust by the Luton and Dunstable University Hospital NHS Foundation Trust, a key integration piece has been to develop a shared set of values.

The vision complements the structures upon which the Trust is built - a commitment to service line management and a belief that high quality services are only possible through decision making close to the frontline and the accountability and responsibility that is devolved in line with this autonomy. To enable this type of approach to flourish, the development of clinical leadership is key.

Our patients – building on the L&D retention of our 'Good' rating from the CQC in 2018 and the improving position at Bedford Hospital we are reviewing our quality strategy. We want to deliver that care in a timely way (we achieved the diagnostics target throughout 2018/19) and safely (our HSMR has continued to fall in recent years). However, our communication with our patients needs to be better. The Global Digital Exemplar (GDE) programme will deliver a patient portal allowing patients to better manage their own care and our medical model needs to meet the changing needs of our patients. We are changing from an age based model of inpatient care to one where the patient is seen by the right specialist team, irrespective of their age, with a focus on continuity of clinical staff to the patient.

Our services – our service portfolio (core acute services organised around a major emergency centre at the L&D site and specific tertiary services) meets the needs of our population, makes the Trust an attractive place to work,

facilitates recruitment and retention of the best clinical staff and adds scale and resilience to our operations. We will therefore continue to be a provider of core hospital services across two sites and the Recovery Programme post COVID-19 will be the main task for 2020/21. This may evolve over the year and the Trust will be responsive and support staff providing care and patients to access services safely.

Our future – As a larger two site organisation, the Trust has an extensive integration programme to bring the services together. This does not mean services will be moving wholescale from one site to the other. Instead it is about leadership and consistency of approach and reducing duplication where possible whilst retaining local services for the vast majority of patients. The Trust has a Director of Integration and Transformation who will oversee a clinically led integration programme supported by Associate Medical Directors for Integration and an integration team. Again, this integration is being reworked in the light of COVID-19 working alongside the development of our Organisational Development Strategy.

Our approach – Following the acquisition of Bedford Hospital NHS Trust by the Luton and Dunstable University Hospital NHS Foundation Trust the new Trust needs to have a dynamic and innovative culture. We believe in the need to maintain the levels of high performance and good financial stewardship. Two key enablers are (i) IT, with the Trust at the forefront of technology though the GDE programme and (ii) service line management with devolution and autonomy, with accountability, to allow clinically led fast and safe decision-making and drive value. We will continue to give our staff the tools, incentives and support to deliver not just high quality care, but to promote a culture of continuous improvement.

Our community – the Trust recognises that, increasingly, the needs of elderly complex patients can only be met by service provision which is truly integrated across the hospital and community divide. There is more recognition that staying in hospital beyond the time when a patient's medical needs are met is not just sub-optimal but is dangerous and increases the long term cost of care. Our complex geography and multiple partners makes genuine integration more difficult. We have made some early gains, for example the co-location of our hospital based social workers, community nurses and discharge teams, but we need to go much deeper and further.

The Trust fully supports the objectives of the community and primary care programme of the Integrated Care System (ICS), developing more services out of hospital and ensuring that the local populations needs can be met in a different way in future. This will require change: primary care delivered at scale, integration of IT systems, more proactive and reactive community interventions and Trust is determined to play its part in the leadership and delivery of out of hospital care. We will continue to be a full partner in place-based developments such as the Bedfordshire Care Alliance and the wider ICS programme and look to outreach more of our services within the community. The Trust is looking to ensure this collaboration delivers change in 2020/21.

Our estate – There are pressing requirements in the short term to continue to deliver high quality and effective clinical services. Both sites require investment to make the sites fit for delivering 21st century medicine safely and to support patient flow, efficiency and flexible working. The estate must be supported by efficient hard and soft FM to maintain the buildings' fabric and to enhance their useful life.

Summary

In 2020/21, there will be many challenges to deliver services post COVID-19 and the development of recovery plans will be a key action. Following the merger, the Trust will continue the integration agenda and build on the infrastructure for the future. Our GDE programme will provide the digital platform and our work leading the Bedfordshire Care Alliance will be pivotal in a post COVID-19 environment.

Maintaining our Performance

A key priority for the Board of Directors is to sustain the level of delivery against national quality and performance targets delivered by the Trust in recent years. This is increasingly challenging in the context of workforce and physical capacity pressures and will increasingly require us to work and think differently about some of our traditional models of care delivery. Working with commissioners to improve planned care pathways and reduce unnecessary face to face contacts, and to ensure that patients only attend hospital for urgent and emergency care when there is really no alternative, will be fundamental to continue to support growing numbers of patients within service constraints.

Maintain and Develop Key Clinical Specialties

- Ensure continued delivery of core clinical services to secure our future in terms of clinical excellence, financial sustainability and reputation.
- Develop clear annual plans and extend the performance framework at service line level, using Getting It Right First Time (GIRFT) and Model Hospital information to inform opportunities to reduce clinical variation and for continual improvement.
- Ensure that specialty plans give consideration to the 'necessary volume' to ensure the economies of scale required for the delivery of seven day services and financial and clinical sustainability.

Develop Opportunities for Integration and Partnership with:

- Bedfordshire Care Alliance – Chaired by the Bedfordshire Hospitals NHS Foundation Trust Chief Executive
- Integrated Care System
- Ongoing integration through pathology and the digital strategy on both the L&D and Bedford sites

Ensure Sustainability

- Continue to improve the patient experience and safety, for example, through improving communication and the provision of information to patients and greater access to consultant-led care.
- Ensuring the maximum use of information to deliver safe and efficient care by using digital patient information wherever possible, and support information systems at all levels of the organisation.
- Directing our capital resources at those service changes which will allow sustainability of performance
- Maintain financial sustainability, delivering a comprehensive programme of efficiency projects which meet the need for tariff efficiency, support the refresh of core infrastructure and underpin the financing of the redevelopment programme.
- Continue the greater focus on performance at specialty level in order to benefit fully from service line management and provide additional direct engagement between clinical leaders and the Board of Directors.
- Continue to review and strengthen performance through the use of internal and external expert review.
- Use the framework of the backlog maintenance review to support the delivery capital improvements that address the priority issues either through redevelopment or replacement.
- Continue to progress update of business continuity accountabilities, processes and mitigations ensuring they are still current and fit for purpose.

Corporate Objectives 2020/21

The Trust's Strategic and Operational Plans are underpinned by seven Corporate Objectives that were established by the Shadow Board pre-merger with Bedford Hospital.

1. **Establish a new organisation Bedfordshire Hospitals Foundation Trust following the merger of Luton and Dunstable University Hospital NHS Foundation Trust and Bedford Hospital NHS Trust**

2. **Deliver excellent quality and clinical outcomes and achieve national regulatory requirements**

3. **Secure and develop a workforce that meets the needs of our patients**

4. **Deliver the agreed Financial Plan**

5. **Support the delivery of the objectives of the BLMK ICS**

6. **Deliver the Luton and Dunstable site redevelopment programme**

7. **Deliver the capital schemes related to the Bedford Hospital site Three Year Plan**

The Trust will respond to the recovery requirements from COVID-19 as part of the Recovery Planning programmes that are currently being developed and will be completed by the end of July 2020. This will impact on the strategic direction and the objective delivery.

Performance 2019/20

This section of the annual report reviews our performance as L&D against corporate objectives set out in our Operational Plan. This also incorporates the work undertaken against the short term challenges facing the Trust.

Objective 1: Deliver the Quality Account Priorities

The Quality Account priorities were:
Priority 1: Improving Patient Experience
Priority 2: Improve Patient Safety
Priority 3: Deliver Excellent Clinical Outcomes
Priority 4: Prevention of Ill Health

A process of engagement across both sites has been undertaken in defining key priorities as well as the inclusion of national "must dos" and the CQUIN requirements.

The usual timetable for submission of the accounts is 30th June of each year however the challenges related to COVID -19 have meant that this deadline has been suspended.

The latest advice from NHSI states that whilst primary legislation continues to require providers of NHS services to prepare a quality account for each financial year, the amended regulations mean there is no fixed deadline by which providers must publish their 2019/20 quality account.

NHS England and NHS Improvement has recommended that a revised deadline of 15 December 2020 would be appropriate, in light of pressures caused by COVID-19 and that draft quality accounts should be provided to stakeholders by 15 October 2020.

NHS providers are no longer expected to obtain assurance from their external auditor on their quality account / quality report for 2019/20.
NHS foundation trusts are not required to include a quality report in their annual report for 2019/20.

Objective 2: Deliver National Quality and Performance Targets

a) Delivering sustained performance with all CQC outcome measures

The Luton and Dunstable NHS Foundation Trust is fully registered with the CQC and its current registration status is Registration without Conditions.

No enforcement action has been taken against the Trust during the reporting period April 1st 2019 and 31st March 2020 and we have not participated in special reviews or investigations by the CQC during the reporting period.

The Trust was subject to a CQC inspection during August and September 2018 and the report was received in December 2018 and the Trust was rated as 'Good'.

b) Delivering nationally mandated waiting times and other indicators

- During 2019/20, the L&D:
- Met all of the quarterly cancer targets for the year. The Trust has delivered one of the most consistent cancer performances in the country particularly on 62 day cancer waits.
- The Trust maintained a very good performance against the national standards for 18 weeks for treatment from the point of referral when compared nationally. However, the Trust struggled to maintain the 92%. A recovery plan and monitoring processes were in place and by the end of the year the performance was 89.9% but was not sustainably over the 92% performance threshold.
- There were significant changes to the C Diff reporting requirements during 2019/20 and the Trust reported 42 cases which is above the 19 trajectory. Investigations are undertaken but there is no indication of clustering based on epidemiology and typing studies.
- Reported 2 MRSA Bacteraemia which is also under the de minimis of six for reporting to NHS Improvement.
-
- Met the six week diagnostic target for the year.

Objective 3: Implement our Strategic Plan

a) Progress plans to work collaboratively with BLMK STP (local Health Economy) in delivering integrated care and maximising sustainable clinical outcomes of secondary care.

The Trust has continued to work across the BLMK footprint to support the Integrated Care Systems. The L&D Chief Executive has continued to chair the A&E Delivery Board and also chairs the Bedfordshire Care Alliance working

towards integrated service solutions for Bedfordshire. There has been a continual collaborative approach for discharging patients from the hospital. A new app was introduced to track patients and their ongoing care requirements and daily siteps led by the Executive to put in place senior leadership to resolve any delays. This has been a collaborative approach and impacted length of stay.

The Trust has worked across the STP/ICS to progress the digital agenda to support the work to deliver an integrated care portal enables sharing of records across all health and social care systems locally.

b) Implement our preferred option for the redevelopment of the site

Whilst the planning for the Acute Services Block capital programme continued, the redevelopment programme for 2019/20 completed a number of major schemes:

- Completed a £2.4m endoscopy decontamination unit that significantly improved the capacity and resilience of our decontamination service and co-located it with the existing Sterile Services
- Delivered Theatres G & H and the new short stay surgical unit as an extension to theatres A-F.
- Completed Electrical Infrastructure works to replace electrical substations. This created resilient power distribution and new standby generators across the site to enable further work during 2020/21.

The redevelopment team also made significant progress with the planning for the creation of a new Energy Centre which brings the whole site heating load into a new centralised facility, enabling more efficient use of gas and electricity as well as improving site resilience and eliminating key elements of the backlog maintenance infrastructure risk. It will deliver financial savings from the use of modern plant and engineering and a reduction of imported electricity reducing exposure to the carbon levy, due to reducing the Trust's overall carbon footprint.

Fundraising for the Helipad has progressed well during 2019/20 and it is anticipated that this will enable the redevelopment team to proceed with construction of the new lift shaft and helipad.

Objective 4: Secure and Develop a Workforce to meet the needs of our patients

a) Develop and monitor the delivery of a comprehensive recruitment programme for all staff groups. The programme will incorporate a work plan focussing on retention and reducing our agency use.

In light of the ongoing national skills challenges facing the NHS, the Trust has maintained its focus on recruitment across all staff groups. The Trust has continued to attend career fairs at local schools, universities and other organised events to promote the various careers available within the NHS.

The recognised national shortage of registered nurses remained a key challenge for the Trust. As well as continuing with cohort recruitment and regular advertising, the Trust has worked hard to deliver its strategy to recruit both EU and non EU nurses. The Trust ran campaigns to recruit nurses from Italy and Portugal and carries out bi-weekly interviews of overseas nurses.

The Retention Matters Project was initiated with a strategic focus on four areas: improving data, transfer window/career conversations, working flexibly and retirement. This project has carried out in-depth analysis of the drivers for turnover and implemented an electronic exit questionnaire to improve data capture and an "Itchy Feet" survey tool. Monthly "Itchy Feet" clinics have been introduced to provide Nurses and HCAs who are thinking of making a change a space to have career based discussions with the senior nursing team who facilitate interventions that will address their aspirations and reduce the likelihood of them leaving the Trust.

The Trust investment in the Medical Workforce Team has enabled improved workforce planning, recruitment and the development of a comprehensive rota review programme to ensure working patterns meet both educational and service needs. A combination of investment in the Medical Workforce Team and exclusion of doctors from the annual immigration cap has enabled the development of a successful overseas recruitment pipeline and improved candidate experience that has enabled the Trust to recruit overseas doctors within 10 weeks. This has seen a significant reduction in the use of medical agency staff.

As the year ended and COVID-19 became a core priority we were amongst the first to create a central well-being hub to support staff and alleviate their stress.

b) Ensure a culture where all staff understand the vision of the organisation and are highly motivated to deliver the best possible clinical outcomes.

The Trust recognises that communicating and engaging with our staff is a key part of our success. Having a committed and engaged workforce contributes directly to the quality of the care we provide to our patients. Feedback from the 2019 Staff Survey showed that

staff reported that communication between them and senior management has improved and there was good communication between staff and their immediate managers. Messages are delivered in a variety of ways both within individual teams and departments and across the Trust as a whole.

Our 'Good, Better, Best'' staff engagement event was a great success. More than 80% of our staff participated during the week in July 2019. The focus of the event was on engaging with our staff on redevelopment priorities and quality improvement techniques.

The Good, Better, Best Christmas staff engagement event was held in December 2019 with more than 2500 members of staff attending the sessions. Themes this Christmas included an update on the position with Bedford Hospital and an interactive Q&A session between the Chief Executive and those attending the event. An update was provided on new waste management.

c) Deliver excellent in teaching and research as a University Hospital. Ensure that all staff have access to appropriate education and facilities to maintain their competence.

Medical Education
In 2019, the Trust received government funding as a commitment to fulfilling the Junior Doctors Rest and Facilities Charter, to improve facilities and reduce fatigue for our junior doctors. Following on from the successful creation of a Junior Doctors Common Room located within COMET, in consultation with the Junior Doctor Mess and the BMA, the funding was utilised to purchase two sleeping pods and two reclining chairs.

Following on from the redevelopment works and the creation of a high and low fidelity SIM suite, we purchased a SimMan 3G manikin and SimProCapture which work together as an audio-visual learning platform to film, record and playback simulation sessions. We are now able to provide a comprehensive simulation programme for medical students, foundation trainees and locally employed doctors (LEDs).

GMC survey 2019
The results of the General Medical Council National Training Survey 2019 indicated there were 24 below outliers (red flags) and 6 above outliers (green flags) with zero recurrent year red flags. The results of the survey were discussed at various forums within the Trust with action plans completed and implemented.

Performance and School Visits
In August 2019 the School of Anaesthetics placed Higher Trainees at the Trust. This was followed by an exploratory visit by the School of Anaesthetics in January 2020. Following the visit and the positive feedback HEE reduced the risk rating for Anaesthetics at the Trust and the risk was removed from the HEE National Risk register. In October 2019 the Head of School of Surgery formally closed the on-going performance action plan for trainees and trainers in Surgery.

Objective 5: Optimise the Financial Plan

Delivering our financial plan

Across the Trust we have a programme of financial management in place. Each Division manages the financial position within each service line. Divisions are responsible for tracking the success of each service line on a monthly basis and reporting their position to their Executive Board meeting. These reports feed into the Finance, Investment and Performance Committee and ultimately the Board of Directors. We achieved a surplus in 2019/20.

A programme of Executive Board meetings and performance meetings was in place that provided additional structures and assurance to the Board of Directors. Focussed plans in relation to agency costs were implemented during the year.

To improve efficiency across the health economy we have continued to work closely with the Integrated Care System (ICS) Plans through the Collaborative Savings Initiative.

Operational performance report

Principal activities of the Trust

The Luton and Dunstable University Hospital NHS Foundation Trust is a medium size general hospital with approximately 660 inpatient beds. The hospital provides a comprehensive range of general medical and surgical services, including Emergency Department (ED) and maternity services for people in Luton, Bedfordshire, Hertfordshire and parts of Buckinghamshire. Last year we provided healthcare services for over 90,000 admitted patients, over 400,000 outpatients and Emergency Department attendees and we delivered over 5,300 babies.

We serve a diverse population most of whom are the 210,000 people in Luton (Luton Annual Public Health Report 2013/14). Luton is an ethnically diverse town, with approximately 45% of the population from non-white British communities (Luton Borough Profile 2011 census data). Within this group there are significant Pakistani, Bangladeshi, Indian and African Caribbean communities. We celebrate the diversity of our population and are committed to ensuring that issues of equality and diversity have a high profile. There are particular healthcare challenges in an area with high levels of ethnicity. The 2010/11 Luton Annual Public Health reports states that in many cases, Black and Minority Ethnic (BME) communities have poorer health outcomes when compared to the overall population and these are linked to infant mortality, access to services due to awareness, language and cultural barriers, early onset dementia and diabetes. The Index of Multiple Deprivation 2010 also indicates that Luton is becoming more deprived. The Luton Annual Public Health Report 2015/16 (most recent published report) focussed on school aged children and identified particular issues in relation to language, poverty, obesity and activity, looked after children and mental health.

The L&D has developed a range of specialist services including cancer, obesity, neurophysiology and oral maxillofacial (jaw) surgery. We have the responsibility for treating the most premature and critically ill newborn babies across the whole of Bedfordshire and Hertfordshire in our tertiary level Neonatal Intensive Care Unit (NICU). We also have one of the country's largest breast screening centres.

All inpatient services and most outpatient services are provided on the Luton and Dunstable Hospital site. The Trust provides community musculo-skeletal services (MSK) at three locations across the catchment area, including our new Orthopaedic Centre situated further along Dunstable Road and chronic obstructive pulmonary disease (COPD) and Diabetes services for South Bedfordshire.

The Trust has a strong and robust clinical management culture; all clinical services are managed by Clinical Chairs or Divisional Directors, supported by Clinical Directors, General Managers and Senior Nurses.

Division	Specialties		
Medicine	Emergency Department Acute Medicine Ambulatory Care Elderly Medicine Limb Fitting Stroke Service General Medicine	Respiratory Medicine Diabetes and Endocrinology Gastroenterology Cardiology Dermatology Heptology Neurology	Neurophysiology Orthotics Genito Urinary Medicine Rheumatology Obesity
Surgery	General Surgery - Colorectal - Upper Gastrointestinal - Vascular - Bariatric Surgery Urology Paediatric Surgery	Trauma & Orthopaedic Hospital at home Critical Care Plastic Surgery ENT Cancer Services Medical Oncology	Ophthalmology Oral & Maxillofacial Surgery Anaesthetics Pain Management Orthodontics Audiology
Women and Children's	Obstetrics Community Midwifery Early Pregnancy General Gynaecology	Gynae-oncology Paediatrics Fertility Neonatal Intensive Care Unit	Uro-gynaecology Ambulatory Gynaecology

Diagnostics, Therapeutics & Outpatients	Pathology Services - Blood Sciences - Cellular Pathology - Microbiology - Phlebotomy Haematology Care	Pharmacy Physiotherapy and Occupational Therapy Imaging Musculoskeletal Services Dietetics	Speech & Language Therapy Clinical Psychology Outpatients Breast Screening

During 2019/20 Divisional Directors, General Managers and Executive Directors met in the Executive Board.

Divisional Executive Meetings are also in place with each of the Clinical Divisions in order to increase clinical accountability at specialty level.

Other Executive meetings are dedicated to the Clinical Operational Board that reviews the clinical performance of the Trust and Executive Seminars.

For detailed information on related parties see note 27 to the accounts.

Review of Operational Performance

Key performance targets 2019/20

We assess our own operational performance against external national targets published by the Care Quality Commission (CQC), the NHS Improvement Single Oversight Framework and other locally agreed contracts, with the support of external peer review and other external expertise.

Activity

- During 2019/20, the L&D:
- Met all of the quarterly cancer targets for the year. The Trust has delivered one of the most consistent cancer performances in the country particularly on 62 day cancer waits.
- The Trust maintained a very good performance against the national standards for 18 weeks for treatment from the point of referral when compared nationally. However, the Trust struggled to maintain the 92%. A recovery plan and monitoring processes were in place and by the end of the year the performance was 89.9% but was not sustainably over the 92% performance threshold.
- There were significant changes to the C Diff reporting requirements during 2019/20 and the Trust reported 42 cases which is above the 19 trajectory. Investigations are undertaken but there is no indication of clustering based on epidemiology and typing studies.
- Reported 2 MRSA Bacteraemia which is also under the de minimis of six for reporting to NHS Improvement.
- Met the six week diagnostic target for the year.

The table below summarises how our operational performance described above is interpreted against the national objectives by CQC and NHS Improvement.

L&D Performance against CQC and NHS Improvement Targets

	Threshold	Qtr 1 2019/20	Qtr 2 2019/20	Qtr 3 2019/20	Qtr 4 2019/20
All cancers: 31-day wait for second or subsequent treatment (3), comprising either:					
Surgery	94%	100.0%	100.0%	100.0%	100.0%
anti cancer drug treatments	98%	100.0%	100.0%	100.0%	100.0%
radiotherapy	94%	N/A	N/A	N/A	N/A
Cancer: two week wait from referral to date first seen (7), comprising either:					
all cancers	93%	93.9%	93.7%	94.0%	94.2%
for symptomatic breast patients (cancer not initially suspected)	93%	92.0%	93.3%	94.0%	93.1%
All cancers: 31-day wait from diagnosis to first treatment (6)	96%	100.0%	100.0%	100.0%	100.0%
All cancers: 62-day wait for first treatment (4), comprising either:					
from urgent GP referral to treatment	85%	86.3%	86.8%	87.6%	87.5%
from consultant screening service referral	90%	97.6%	96.2%	97.0%	97.5%
Referral to treatment waiting times – Incomplete pathways	92%	91.3%	90.1%	89.8%	88.2%
Clostridium Difficile – meeting the Clostridium Difficile objective of no more than 19 cases/year	19	10	12	7	13
MRSA – meeting the MRSA objective of no more than 6 cases/year	0	2	0	0	0

Regulatory Quality CQC Performance

The Care Quality Commission (CQC) is the organisation that regulates and inspects health and social care services in England. All NHS hospitals are required to be registered with the CQC in order to provide services and are required to maintain specified 'essential standards' in order to retain their registration.

As part of its role the CQC is required to monitor the quality of services provided across the NHS and to take action where standards fall short of the essential standards. Their assessment of quality is based on a range of diverse sources of external information about each Trust that is regularly updated and reviewed. This is in addition to their own observations during periodic, planned and unannounced inspections. If an issue raises concern during the data review process or from other sources of information, CQC may undertake an unplanned, responsive inspection.

The Luton and Dunstable University Hospital NHS Foundation Trust is fully registered with the CQC and its current registration is Registration without Conditions.

No enforcement action has been taken against the Trust during the reporting period April 1st 2019 and 31st March 2020 and we have not participated in special reviews or investigations by the CQC during the reporting period.

CQC Assessments

The CQC monitor, inspect and regulate care services to ensure patients receive safe, effective, compassionate, high quality care. To really measure the patient's experience of care, they have identified five key questions based on the things that matter to patients. The CQC will ask these questions of every service.

- **Are they safe?** By safe we mean people are protected from physical, psychological or emotional harm. For example are people getting MRSA because of poor hygiene?

- **Are they effective?** By effective we mean that people's needs are met and their care is in line with nationally recognised guidelines and relevant NICE quality standards or effective new techniques are used to give them the best chance of getting better. For example is there an effective 'enhanced recovery' programme?

- **Are they caring?** By caring we mean that people are treated with compassion, respect and dignity and that care is tailored to their needs.

- **Are they responsive to people's needs?** By responsive we mean that people get the treatment and care at the right time without excessive delay.

- **Are they well-led?** By well led we mean that there is effective leadership, governance (clinical and corporate) and clinical involvement at all levels of the organisation and an open, fair and transparent culture that listens and learns and that there is a clear programme of improvement.

The last CQC inspection was August - September 2018 and the report received in December 2018 gave the Foundation Trust and Hospital a rating of 'Good'.

The Trust received two regulatory notices and these were for mandatory training and infection control compliance and an action plan is in place that is monitored by the Clinical Outcome Safety and Quality Committee.

Regulatory Performance Ratings

NHS Improvement's Single Oversight Framework provides a new approach to oversight and sets out how regional teams review performance and identify support needs across sustainability and transformation partnerships (STPs) and integrated care systems (ICSs). This is a change from previous years and is a move towards a new integrated approach from 2020/21.

Changes to oversight are characterised by several key principles:

- NHS England and NHS Improvement teams speaking with a single voice, setting consistent expectations of systems and their constituent organisations
- a greater emphasis on system performance, alongside the contribution of individual healthcare providers and commissioners to system goals
- working with and through system leaders, wherever possible, to tackle problems
- matching accountability for results with improvement support, as appropriate
- greater autonomy for systems with evidenced capability for collective working and track record of successful delivery of NHS priorities.

The oversight metrics cover five themes:

- New service model
- Preventing ill health and reducing inequalities
- Quality of care and outcomes
- Leadership and workforce
- Finance and use of resources

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation

The Trust is in segment 1. This segmentation information is the trust's position as at 24th May 2020 (as Bedfordshire Hospitals NHSFT). Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019/20 Scores	2018/19 Scores
Financial sustainability	Capital service capacity	1	1
	Liquidity	1	1
Financial efficiency	I&E margin	1	1
Financial controls	Distance from financial plan	2	2
	Agency spend	4	4
Overall scoring before overrides		**2**	2
Score of 4 override		**Yes**	Yes
Overall scoring after override		**3**	3

We had no formal interventions.

Activity Performance Analysis

The table below identifies those areas where demand has changed by comparing the actual contracted activity to that planned.

Point of Delivery	19-20 Outturn	20-21 Plan	Growth
GP Referrals (General and Acute)	72,446	73,735	1.78%
Other Referrals (General and Acute)	69,391	72,297	4.19%
Total Referrals (General and Acute)	141,837	146,032	2.96%
Consultant Led First Outpatient Attendances	119,785	124,988	4.34%
Consultant Led Follow-Up Outpatient Attendances	257,296	277,777	7.96%
Total Consultant Led Outpatient Attendances	377,081	402,765	6.81%
Total Outpatient Appointments with Procedures	88,623	95,156	7.37%
Total Elective Admissions - Day case	39,465	40,248	1.98%
Total Elective Admissions - Ordinary	5,755	6,127	6.46%
Total Elective Admissions	45,220	46,375	2.55%
Total Non-Elective Admissions - 0 LoS	20,136	21,501	6.78%
Total Non-Elective Admissions - +1 LoS	35,186	37,324	6.08%
Total Non-Elective Admissions	55,322	58,825	6.33%
Type 1-4 A&E Attendances excluding Planned Follow Ups	163,700	167,914	2.57%
Type 1&2 A&E Attendances excluding Planned Follow Ups	109,193	112,004	2.57%
Type 3 & 4 A&E Attendances excluding Planned Follow Ups	54,507	55,910	2.57%

Education and Performance

Medical Education

In 2019, the Trust received government funding as a commitment to fulfilling the Junior Doctors Rest and Facilities Charter, to improve facilities and reduce fatigue for our junior doctors. Following on from the successful creation of a Junior Doctors Common Room located within COMET, in consultation with the Junior Doctor Mess and the BMA, the funding was utilised to purchase two sleeping pods and two reclining chairs.

Following on from the redevelopment works and the creation of a high and low fidelity SIM suite, we purchased a SimMan 3G manikin and SimProCapture which work together as an audio-visual learning platform to film, record and playback simulation sessions. We are now able to provide a comprehensive simulation programme for medical students, foundation trainees and locally employed doctors (LEDs).

GMC survey 2019

The results of the General Medical Council National Training Survey 2019 indicated there were 24 below outliers (red flags) and 6 above outliers (green flags) with zero recurrent year red flags. The results of the survey were discussed at various forums within the Trust with action plans completed and implemented.

Performance and School Visits

In August 2019 the School of Anaesthetics placed Higher Trainees at the Trust. This was followed by an exploratory visit by the School of Anaesthetics in January 2020. Following the visit and the positive feedback HEE reduced the risk rating for Anaesthetics at the Trust and the risk was removed from the HEE National Risk register. In October 2019 the Head of School of Surgery formally closed the on-going performance action plan for trainees and trainers in Surgery.

Educator Development

In 2019 the Trust was chosen by HEE as one of five sites across the region to develop and provide face-to-face teaching on the practical, everyday aspects of educational supervision that supports the trainer in the areas of supervision they are expected to provide. The core content of the contact day is mapped to the Academy of Medical Educators and GMC standards for educational supervision, and is open to educators in East of England providing access to local primary care doctors, public health doctors and sister hospitals. To date the Trust has facilitated three training days with a total of 135 delegates attending, of which 55 were Trust supervisors.

Clinical Supervisor training

In February 2020 the Trust implemented HEE EoE's recommended tier 1 supervisor e-learning programme for all newly appointed Consultant staff. Compliance is monitored and reports provided to Clinical Directors and General Managers.

Trust Development posts (F3s)

Health Education East of England (HEEoE) and the Trust implemented a strategy to try to encourage doctors who are taking a break from training (e.g. between foundation and core or between core and higher training) to stay in the EoE and specifically at Luton and Dunstable University Hospital.

As part of this, HEE provided tariff funding to employ doctors who will combine clinical training with development opportunities, and two posts were successfully recruited to, with the candidates commencing in August and September 2019. Both Doctors enrolled to complete a Post Graduate Certificate in Medical Education, combining this with their clinical work in Ophthalmology and Trauma and Orthopaedics.

Trainee Physician Associates

In collaboration with the University of Hertfordshire, the Trust continues to welcome Trainee Physician Associates (TPAs) on an annual basis to undertake their clinical placements at the Trust. The TPAs' clinical placement at the Trust consists of a rotation through the Medicine, Surgery, Emergency Medicine, Paediatrics and Obstetrics and Gynaecology departments. Our current Year Two cohort will be undertaking their Objective Structured Clinical Examination (OSCE), completing their degrees and sitting the Physician Associate National Exam between June and September 2020. The Trust welcomed a further ten Year One TPAs in March 2020.

Medical Revalidation

We have a general growth year-on-year in our medical workforce with 482 registered on our web-based portfolio, L2P at the end of March 2020. All doctors receive support to undertake an annual appraisal so that they are prepared for the 5-yearly recommendation for Revalidation to the General Medical Council. A total of 334 appraisals have been completed within the year. The whole process is monitored and supported so that the individual doctor is ready to present a full range of evidence based on the total scope of their practice each year. The majority of doctors revalidate successfully within each annual cycle and a small number are deferred for legitimate reasons but then complete the process at a later date. To highlight, a total number of 146 doctors has been revalidated during the year and only 9 have been deferred with reasons.

We continue to also buy licences for each doctor so that they can complete a multi-source feedback exercise with both colleagues and patients at least once during the 5-year cycle. Each doctor is assigned a facilitator who supports the feedback and ensures that the process is thorough. We have frequent Appraiser Refresher sessions within the year for our current 67 trained appraisers and New Medical Appraiser sessions for doctors who show an interest in becoming an Appraiser. This training is provided in-house by the Revalidation Team and are based around L2P. The quality of appraisals has improved significantly since the introduction of Medical Revalidation in 2012. This has benefitted our medical workforce. Our performance is reported on a quarterly and annual basis to NHS England and is also benchmarked against Trusts. We compare well with other organisations.

HCA Induction

HCA induction continues to run on a monthly basis. In total 175 staff attended HCA induction during the year; the staff groups included Healthcare Assistants; Theatre Support Workers; Independent Support Workers and Maternity Care Assistant. Of the attendees, 112 were employed on permanent contracts, 63 were employed on bank contracts. The programme was well evaluated each month and we received positive feedback for the welcome and local induction their received from ward staff.

Care Certificate and Diploma in Health Apprenticeship

The national Care Certificate contains 15 standards which those who are new to care and do not hold a healthcare qualification are required to complete, within 12 weeks of commencing employment. From the staff who were required to complete the Care Certificate; 35 permanent staff and 26 bank staff have not completed and returned these and their managers are aware; these are similar numbers to last year. The Care Certificate is a minimum requirement to commence a Diploma in Health apprenticeship and this is no longer front loaded at the start of the apprenticeship.

Nursing Associates

In March 2019, 9 staff completed the Nursing Associate course. From this group 7 are still employed as Nursing Associates and we have also employed an external Nursing Associate. In March 2019, 11 staff commenced the Nursing Associate Apprenticeship at the University of Bedfordshire (UoB) and another cohort was due to commence the programme in September 2019 but this has been delayed due to a protracted process for approval for the course by the Nursing and Midwifery Council at the UoB. The course approval event at the UoB was scheduled for April but has been delayed until July with an expected start date September 2020. The apprenticeships team continue to collate expressions of interest for the next cohort; which if approval is gained in July will also be able to start in September 2020.

Nursing Placements at the Trust

Student feedback has been received from UoB twice during the period April 2019-March 2020. This feedback is shared with and discussed during mentor updates; the feedback from staff attending mentor updates is that they find this useful. The overall feedback is positive and most negative issues highlighted during the first feedback were not reported in the second survey. The positive themes which emerged were that students appreciated the range of learning opportunities they were given, felt part of the teams and found their mentors to be supportive. Areas for improvement concern mentors finding time to complete the required interviews and paperwork, not feeling that they had supernumerary status and having appropriate rest facilities.

Nursing Preceptorship

We continue to run preceptorship programmes for Adult and Paediatric nursing, Midwifery and Allied Health Professionals. Currently each has their own preceptorship programme led by education leads in each area. Each cohort comprises of newly registered staff including those who have returned to practice, Nursing Associates and overseas nurses. The preceptorship period can last up to a year and requires individuals to complete a set of competencies and attend the preceptorship training programme. In addition, each preceptee will receive supervision in practice, feedback and will work alongside a member of the education team.

During the year 190 adult nurses commenced preceptorship, most of these were overseas who successfully gained their NMC registration. The training programme is evaluated after each cohort finishes and when required amendments are made.

Overseas recruits

During the period 01/04/19 – 31/03/20 142 overseas nurses joined the Trust to prepare for and sit the Observed Structured Clinical Exam in order to gain their UK registration. We have achieved a 100% pass rate during this time and all were able to commence staff nurse posts following this. 75 passed on their first attempt and the remainder on their second (see appendix 1 for more detail.

Midwifery

5 registered nurses were recruited to complete the 21 month shortened midwifery course. 2 will be studying at the University of Hertfordshire and 3 were recruited to take part in the first 21 month shortened midwifery apprenticeship which is being piloted at the UoB.

Unfortunately 1 of the apprentices chose to withdraw just after enrolment, leaving 4 on programme. There are also 3 from University Hertfordshire who are already on programme and are due to complete in October.
The coaching model of supporting students is being rolled out on the pre and post natal wards; this was piloted earlier in the year and received positive feedback from student and mentors. This method of supporting students also fits with the new Practice Supervisor/ Practice Assessor model of supporting and assessing students as part of the new NMC standards for pre-registration education.

Pharmacy

Pharmacy has now recruited into the commissioned split pre-registration trainee pharmacy technician placement between acute care, mental health, care home and GP practice which started in February.

The Pharmacy Department continues to have undergraduate placement students from University of Hertfordshire, Bath and Reading throughout the year. Feedback has been positive.

Post registration

During the financial year 19/20 Health Education England allocated £142,000 to the Luton and Dunstable Hospital for Continuous Professional Development (CPD). This money supported post registration training for Nurses, Midwives, AHPs (Occupational Therapists, Physiotherapists, Radiographers, Dietitians, Speech and Language Therapists and Operating Department Practitioners) and Pharmacists. The money was allocated based on requests made in the Training Needs Analysis which was completed by each department.

Health Education England is also paying for course fees for those completing Advanced Clinical Practice masters. In future we will be looking to fund these courses through the apprenticeship levy as a number of HEIs now offer this pathway. We have 2 paediatric staff working in Advanced Nurse Practitioner roles and 1 paramedic who is due to complete programme this summer, as yet these roles have still not been defined or agreed in the Trust, but work is being done to identify a strategy for these roles.

Apprenticeships

We currently have 145 live learners on the Digital Account and since 1 April 2019 we have had 120 enrolments against a Public Sector Target of 86 enrolments. In May 2019 the Training Provider delivering our Diploma in Health for our Healthcare Assistants went out of business, and we worked really hard to de-construct this programme with minimal impact to learners. It has taken many months to procure an alternative provider and to mobilise contracts, however in January 2020 our first new cohort commenced their training.

We have also broadened the scope of our apprenticeship provision seeing new apprenticeship qualifications in Mammography, Healthcare Science Practitioner, Commercial Procurement and Midwifery. In February we commenced our seventh cohort of the CMI Level 5 Operational Management Apprenticeship, and our fourth cohort of the CMI Level 3 Team Leading Apprenticeship. We are looking to commence a second cohort of Nursing Associate Apprenticeships in due course; however this has been delayed whilst the University of Bedfordshire await NMC approval.

Once Covid-19 has subsided we will commence the delivery of an in-house Level 2 English Functional Skills qualification. This will be delivered using Bedfordshire Education and Skills Service (BESS). Participants will be those HCAs wishing to enrol onto the Nursing Associate Apprenticeship and the Operating Department Practitioner Apprenticeship, who require Maths and English before they can enrol.

Mandatory Training

All our mandatory training is aligned to the Skills for Health Core Skills Mandatory Framework (CSTF) and this standardisation enables us to accept the training that staff have received at other healthcare organisations when they join as new employees. We have also now aligned the Trust refresher periods with the CSTF removing the differential periods between classroom and e-learning training. The aim is align this work across the new merged organisation in the coming months.

Staff are accessing more e-learning using the on-line learning platform on mobile devices on- and off-site. Staff also are offered regular supported e-learning sessions and use the Library where a number of computers are suitable for accessing all the e-learning modules including for clinical applications. We have adapted the mandatory training days for clinical staff so that additional participants can sign in to complete individual modules if they find that more convenient than e-learning.

We continue to improve our compliance in relation to mandatory training in line with our action plan following the Care Quality Commission (CQC) inspection in 2018. The monthly divisional reports and additional specialised reports for topics such as Resuscitation Training identify individuals who are non-compliant so that managers can advise them to complete the relevant modules The annual appraisal process includes the requirement to complete all mandatory training, managers are required

to complete appraisals as part of their annual objectives and study leave for Trust doctors is now predicated on successful completion of all mandatory training.

Corporate Induction

The Corporate Induction programme was completely revised with the introduction of a marketplace with stalls presented by a range of corporate services for new staff to visit. The first day is very much a 'welcome to the L&D' event led by the Chief Executive and it has been well evaluated and will be replicated across the new merged organisation once we are able to invite larger groups to our venues. The detailed written guidance on local induction aims to support becoming established in both a new department and role. We recognise the importance of welcoming and supporting staff in new roles to ensure good staff retention and development for the benefit of services and patients.

Team Development

Team managers have been able to commission customised team development interventions that have been designed in response to a detailed dialogue to meet the needs of the team. There have been some assessments completed against the new organisational values which has then resulted in the creation of a unique Team Charter identifying the behaviours that are specifically relevant for that team.

Leadership Development

NHS Staff Survey results for 2019 continue to indicate that immediate managers support, develop, train and appreciate their teams. Those managers take a positive interest in the health and well-being of their staff and value their work which is a significant factor in motivation and engagement.

Senior managers continue to be visible, try to involve staff in important decisions and act on feedback from their colleagues. All of this is a positive indicator of the benefits of the range of management and leadership development that has available in the last year. It also shows that the Good, Better, Best events each year involving a significant proportion of staff still have a positive impact on staff engagement and relations.

Training and Development continues to offer a range of leadership development opportunities from our well-evaluated 'Seven Habits' programme to full national apprenticeship qualifications such as the Chartered Management Initiative (CMI) Level 5 and the CMI Level 3 Team Leading courses.

The Band 6 leadership programme for nurses has continued into 2019 in addition to a range of short courses that are available to junior ward managers.

Medical Leaders

New consultants are offered a series of workshops that help prepare them for the challenges of holding a responsible senior medical role. These new colleagues are also offered the opportunity to have a mentor who is a very experienced consultant in the Trust. Development for those mentors has continued in the last year to ensure that they feel equipped to support less experienced consultants.

Senior medical leaders are encouraged to undertake the NHS Healthcare Leadership Model 360° feedback to evaluate their impact with their colleagues. In addition, there are a number of self-reflection tools that are available as well as individual coaching. In the last year, there have been some development sessions including a 'dialogue with the Execs' which has facilitated open and detailed discussion between senior medical leaders and executive directors led by the Chief Executive. This has helped to create a culture of trust between senior managers and consultants.

There has been good uptake of a range of excellent short courses that are available through the East of England Leadership Academy so that our leaders can keep abreast of regional and national developments such as systems thinking and working across boundaries in line with the overall direction of travel of the NHS.


LUTON AND DUNSTABLE UNIVERSITY HOSPITAL
Quality and Safety
Preceptorship
LBD Hospital
Rachel Masenaure
Cardiac Center
Cardiac Nurse
31623

Our patients, our staff and our partners

Our Patients

In the last year the organisation continued to use feedback from people who use our services as a pivotal driver for quality improvement. We have taken ideas and suggestions from people who give us feedback to improve the way we gather feedback and use it to learn and improve our services. We continue to use four key methods to gather feedback, which are;

- The Friends and Family Test (FFT)
- National Patient Surveys and Websites
- Feedback through the Patient Advice and Liaison Team (PALS)
- Key stakeholder involvement

We collect information from the following groups;

- Adult inpatients (FFT and National Survey)
- Maternity (FFT and National Survey)
- Outpatients (FFT only)
- Emergency Department (FFT and National Survey)
- Children and Young People's Services (National Survey only)
- Cancer Services (National Survey only)

Our results for the four national surveys remained similar to those in 2018. In comparison to other Trusts our scores were 'about the same'. There were individual issues identified for improvement, and action plans developed are being closely monitored by services. All national surveys, with the exception of the Children and Young People's Survey, are conducted annually.

Our patients complete the FFT survey in all areas and we have continued to record excellent response rates for Inpatients and in the Emergency Department. We also collected feedback from Maternity services and Outpatients and in all areas patients told us they were more likely to recommend our services compared to the national score. In Outpatients and Maternity we installed a number of iPads, to improve the response rates, by encouraging people to give us feedback when leaving the department rather than completing a form. In April 2020 the FFT question will change and patients will no longer be asked to 'recommend' our services. They will be asked about their 'experience' enabling us to use qualitative data more effectively. We will also be developing the opportunity for patients to link to our surveys using QR codes, encouraging them to give us feedback at a time that is convenient to them. Further details for results are within Appendix 1 of the Quality Account.

Patient Advice and Liaison Service (PALS)

The PALS Team provide a vital first contact with patients, carer, family members and the general public. The workload for the team has risen over the last twelve months, which has been reflected in the reduction in the number of formal complaints. The PALS and Complaints Teams joined together as one team at the beginning of the financial year and this has demonstrated a positive outcome when dealing with concerns from people who use our services.

The PALS Team still oversee work with interpreters, although booking is now done by services themselves reducing the workload on the team, allowing them to focus resources of other issues and concerns. We will continue to work towards increasing our use of telephone interpreting, which will make interpreters more easily accessible for patients and staff, as well as support efficiencies for the organisation. Outpatients and Maternity Services continue to be the highest users of interpreting services. The top four languages remain unchanged from 2018. These are Polish, Romanian, Bengali and Urdu which account for over 80% of requests made.

The PALS office is open to the public Monday to Friday(excluding Bank Holidays) from 10am to 12.30 and 13.30 to 16.00, and is situated next to Reception at the Main Entrance to the hospital.

Key Stakeholder Involvement

Both Healthwatch Luton and Luton Clinical Commissioning Group (CCG) continued with announced quality visits this year. The teams visited nominated wards and the visits included interviews with staff, patients and family/carers. The overall feedback from the visits was positive with some recommendations for improvements. For example, recommendations were made about the décor on wards and suggested a refresh or maybe adding some pictures, particularly in wards where there are long stay patients.

NHS Choices

There have been changes to the NHS Choices website, this is now NHS UK (www.nhs.uk) which no longer displays an overall Trust star rating, instead displaying the CQC rating of 'good', individual reviews are still star rated, to date we have 180 reviews of which over half have a 5 star rating. Prior to the change in NHS Choices we held a 4 star rating

Patient and Public Participation Group (PPPG)

The PPPG has continued to be active in 2019/20. The Strategy for Patient and Carer Experience and Public Involvement has been reviewed and is being aligned to

the Patient Experience Strategy developed at Bedford Hospital ahead of the merger in April 2020. Joint working between the two hospitals under the patient experience agenda has been gathering momentum and is now everyday practice. Bedford Hospital has a Patient Council which is similar to the PPPG and therefore we will look at developing a new group in the merged Trust, which complements both sites. The PPPG has met regularly throughout the year, and with good input from Hospital and Public Governors, as well as the public and service users, crucial issues have been raised which underpin quality improvement work in the Trust.

Service User Groups/Engagement

Service User Groups in place last year have continued to meet in 2019. The Breast Care Support Group is thriving and a new group for patients with metastatic disease has been set up. The Patient Experience Team continued to support Medical Lectures this year. This has allowed patients in certain disease groups to give feedback about their experiences at the hospital. These have included orthopaedic surgical patients. A large public engagement event was held in Summer 2019, which allowed local organisations and businesses to network and provide opportunities to provide relevant health and wellbeing information for the general public. It was a successful networking opportunity but future events are likely to be held off site to improve public attendance. The Patient Experience Team regularly attends the Maternity Voices Partnership meetings to gather feedback and suggestions for service improvement.

Patient Stories

The Clinical Outcome, Safety and Quality Board (COSQ) continued to invite patients to share their experiences with them throughout the year. Individuals shared their experiences through a story, which is a powerful way to hear their concerns and compliments. We invited the relevant service managers to hear the stories so that they could address the issues with patients at the time to give them reassurance their feedback was heard. Staff were also asked to update COSQ on progress with changes implemented and the outcome of those changes. The stories have also allowed patients and their families to tell us about their good experiences so that good practice can be cascaded throughout the organisation.

Listening to Patient Concerns

We treat all complaints seriously and ensure they are handled in accordance with the Health and Social Care Complaints Regulations. During the reporting period we received 466 Formal Complaints (a reduction of 97 on 2018/19). A breakdown of complaints (by month, by category) is contained within the Quality Account.

All the complaints were investigated through the complaints process by the General Manager for the appropriate division and a detailed response addressing the issues raised sent to the complainant.

The majority of complaints were resolved at local level and did not require review by the Parliamentary Health Service Ombudsman (PHSO). General Managers, Service Managers and Matrons have continued to be proactive in the management of complaints by making early contact with complainants to discuss their issues. This approach resulted in a number of complaints being resolved without having to go through the formal process and produce a written response; therefore they were resolved informally. Some of the complaints were resolved at hospital level, whereby Local Resolution Meetings (LRMs) were held with either General Managers, the Chief Nurse, Deputy Chief Executive and/or the Chief Executive. Where appropriate relevant clinical staff were also involved in LRMs.

Four complainants asked the PHSO to review their complaints. Out of the 4 cases with the PHSO at present, two complaints were not upheld by the PHSO, one was partially upheld and one is still under investigation.

Weekly tracker reports continued to be sent to general managers to monitor progress with complaints and compliance with response targets. This enabled the central team and Chief Nurse to provide additional support should it be needed. The quality of the investigations being carried out and the standard of those responses remained very high.

Following last year's external review further progress has been made in the complaints process. A new policy and guideline has been approved; complaints, concerns, compliments and comment (4 C's) training is provided for front line staff. Complaints are also included in the patient experience presentation at staff induction. This has been complemented with a staff quick guide to the 4 C's

Compliments

Year to date approximately 3,500 compliments were received directly by the staff or service, and cascaded to the staff and/or service involved by the respective manager. Other compliments are received and are held locally.

Below are some of the compliments we received:

ENT Services

What excellent service I received recently. I called ENT as I required an additional (not scheduled) appointment. I was passed through to Mr. S's secretary, left a message. She called me yesterday and set up an appointment for today. I have been to the hospital, where I was greeted at ENT reception by a friendly receptionist, taken in quickly to see a clinician. A hearing test was then organised and completed. A very positive experience - thank you

A & E

Even though A and E that night was incredibly busy (patients were queuing out the door), the staff there looked after our mum so well and were all so kind and supportive to her and myself and my sister, they even made us cups of tea! I don't know how they stay so patient and calm under such conditions

Chemotherapy Services

I was diagnosed with Lymphoma B cell stage 3 on October and started my Chemotherapy in December. I am sure you are subject to resource pressures but, so is everyone else in the NHS. Your hospital has been exemplary and I just wanted to congratulate you and the staff on their professionalism and dedication.

Dermatology Services

I had to attend the clinic earlier this year. I was particularly struck by the bright and cheerful decor and furniture which had a very welcome feel. The staff seemed to be equally cheerful and very helpful. I was very pleased with the experience I had then and my experience yesterday confirmed my feeling about the excellent service provided by the dermatology department for which I am very grateful.

Orthopaedic

I just wanted to thank everybody for looking after me, from the minute I arrived at the Surgical Short Stay Unit I was greeted in a friendly manner by the receptionist, I was taken by the Staff nurse who who was very polite, friendly and well organised. I was taken into a room to meet my anaesthetist who was very relaxed with a very calming demeanour, he left me feeling reassured that everything was under control. There was a long delay to my but this was all explained to me so there was no problem with the delay. When the time came for my operation I was met by a lovely nurse she was very caring and easy to talk to. Mr G came in to talk to me just before the operation and apologised for the delay he said he could have cancelled my operation but decided to work on to save me the inconvenience.

Safeguarding Children and Adults

Luton & Dunstable University Hospital NHS Foundation Trust is committed to safeguarding and promoting the welfare of children and young people and safeguarding our adult population..

All staff have a duty to be aware of safeguarding of patients of all ages while in our care.

The Chief Executive has Board level responsibility for safeguarding children and adults. Our Director of Nursing and Midwifery acts on their behalf to ensure that the Board of Directors is satisfied that all measures are taken to safeguard children and young people in our care.

Actions taken and measures in place are as follows:

- Reports are presented to the Clinical Outcome, Safety and Quality Committee annually on safeguarding children and young people and there is a clear reporting structure in place to raise issues throughout the year.
- Audits and reviews are carried out to check and satisfy us that our systems and processes are effective.
- Clear procedures are in place in the Emergency Department (A&E) and staff receive regular update training on safeguarding.
- Clear procedures are in place to ensure that the Trust is working with other organisations to safeguard children and adults.
- Disclosure and Disbarring (DBS) checks are made on all new staff adhering to the NHS Employer guidelines and the Trust is compliant with safeguarding guidelines.
- Training in safeguarding children and young people and adults is one of the key components of the corporate induction programme for all new starters and is included in the annual mandatory refresher training which is being made available as e-learning.
- All training arrangements have been reviewed.
- A Named Nurse, Named Midwife and Named Doctor have specific responsibility for safeguarding children and young people across all parts of our hospital – they are clear about their roles and are given sufficient time to enable them to fulfil their responsibilities.
- A Named Nurse and Named Doctor have specific responsibility for safeguarding adults.

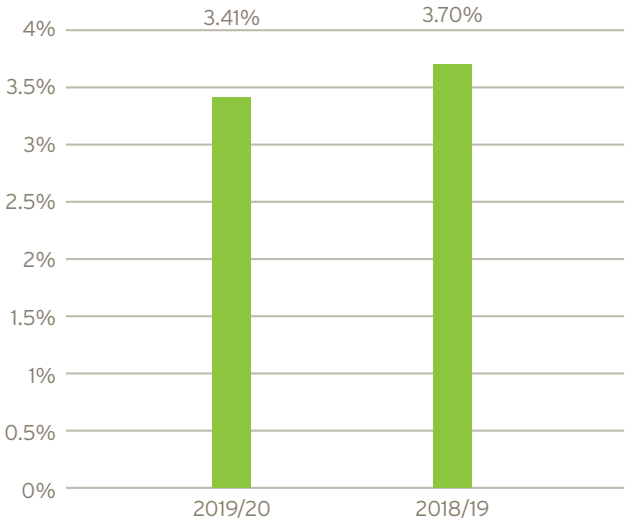
Our success is delivered through our people and as such our staff continue to be our most valuable asset when it comes to delivering clinical excellence, quality and safety to our patients. We strive to attract the best people, value and develop them so that the teams they work in deliver outstanding care to our patients. We achieve this through many different routes, including delivery of learning and development; good leadership and good communication. This journey starts from the point that an individual applies for a post with us and continues through their employment with the Trust.

Our Staff

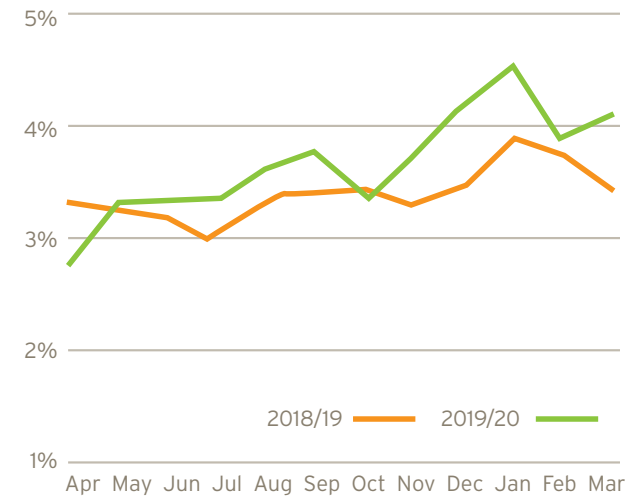
Sickness Absence

The Trust has continued to monitor sickness absence. For this financial year there has been a slight increase in the absence rates and is lower than the NHS National median of 4.35% and places the Trust in the lowest quartile for absence rates. The sickness rates towards the end of the year were impacted significantly by COVID 19.

Full year sickness absence rates 18/19 vs 19/20



% Sickness absence rates



Health and Wellbeing / Occupational Health

We offer a full range of Occupational Health and Wellbeing Services which contribute to increasing the effectiveness of the organisation, by enhancing staff performance and morale through reducing ill-health, absence and accidents.

During 2019/2020 the Trust has continued with initiatives, to promote opportunities for staff to adopt a healthier lifestyle either on site or by promoting external facilities that are conducive to good health.

The Occupational Health and wellbeing Service has focussed on providing information on health promotion topics and activities, by acting as a signpost for staff to obtain information and advice on a variety of health and fitness related initiatives. This has been achieved through the continued development of a health and wellbeing section on the staff intranet, various electronic communications, newsletters, and a number of awareness raising events.

The Occupational Health team were successful in retaining their reaccreditation under the Safe Effective Quality Occupational Health Service. (SEQOHS). The SEQOHS Accreditation Scheme is a stand-alone scheme managed by the Royal College of Physicians of London which leads and manages the process on behalf of the Faculty of Occupational Medicine. SEQOHS accreditation is the formal recognition that an Occupational Health Service provider has demonstrated that it has the competence to deliver against the measures in the SEQOHS Standards. The scheme was developed for all Occupational Health Services and providers across the UK in the NHS and Independent Sector.

Annual Health and wellbeing event

In June 2019, the annual health and wellbeing awareness raising day entitled 'spring into summer' took place. Attendance levels have increased year on year, and we had over 300 members of staff attend, with many participating in the activities. Awareness raising stands and activities included: Chair exercises, laughter yoga, Zumba, Pilates, Yoga, physiotherapy advice and Healthy food prep demo and taster sessions, Pluck a duck competitive steady hand game, smoothie bikes, mini health checks and a company promoting ergonomically friendly office equipment.

All attendees received a free goodie bag containing 5 pieces of fruit

This year, 81% of our frontline staff were vaccinated against flu, which is higher than the year previous and amongst the highest uptakes when compared to other NHS Acute Trusts.

Employee Assistance Programme

The Trust continues to employ the services of an Employee Assistance Programme, which is available to all staff. This provides access to an independent, free and confidential telephone advice service, staffed by highly experienced counsellors who can provide practical and emotional support with work or personal issues. Advice is available 24 hours a day, 365 days of the year. The provision of this support during the past five years has proved to be valued greatly by staff with an excellent utilisation rate. Monthly help/awareness raising sheets are also provided, which not only remind our staff of the availability of this important support but also give information about health/life issues.

Health Checks for staff

The NHS promotes health checks for those over the age of 40 years, and the Trust has actively engaged with this initiative. A company commissioned by Luton Borough Council provides free health checks to those over the age of 40 and up to the age of 74. Whilst this is a national scheme we have been able to continue to secure dates for this service to be brought on site to our staff. Since October 2013 sessions have been available on a monthly basis with over 630 members of staff seen. Each check includes height, weight, BMI, blood pressure, cholesterol levels and taking family history and life style analysis such as eating, smoking and drinking to discuss risk factors. The results are shared with the individual and their GP, and where necessary onward referrals made.

Fruit and Vegetable Market Stall

Following on from a staff suggestion, a fruit and vegetable vendor was asked to set up a stall in an effort to promote healthy eating. Whilst this initiative was primarily for staff, it has also been welcomed by patients and visitors to the Trust alike.

Since September 2015, the stall has been on site one day a week. During the year we continued with the activity entitled 'Apples and Pears to take the stairs' which has been in place since 2016. This activity takes place on a monthly basis to encourage staff to use the stairs more, increase levels of fitness and also to raise awareness of the fruit and veg stall. The interest in this event has increased over time and we now have on average 30 members of staff who participate in this challenge which is held over a 45 minute period.

Wednesday Walking

These '30 minute' walks have been held every Wednesday since 2009. Numbers attending are generally quite low, however the initiative has led to groups of staff holding their own walking sessions at times that fit in with their individual work routines.

Weight loss programme

In February 2019 all NHS Trusts were approached by NHS Improvement inviting them to demonstrate an interest in obtaining a small amount of funding, in order to implement a Weight Management support services for staff.

Our vision was that the funds could be used to purchase vouchers which would then be given to staff to enable them to access a local, reputable Weight Management support service

As a result we secured 1.5K, and we worked closely with the Total wellbeing service here in Luton. The funds enabled us to offer 60 members of staff support. To be eligible for the programme individuals had to have a BMI of between 25 and 45.

There were ten workshop sessions available for individuals to attend with the aim of 5% body weight reduction.

Each workshop session lasted 1½ hrs and covered various topics such as :-

- Reading food labels for healthier food choices
- Portion distortion
- Healthier snacking
- Food and mood
- Hidden sugars
- Takeaways to fakeaways and eating out
- Fats
- Physical activity

Smoking cessation

In June 2019, Total wellbeing Luton, commenced smoking cessation support specifically for staff. Sessions are held every Monday in the Occupational Health Department. From the 53 members of staff who have signed up to the programme thus far 29 have been recorded as successfully quitting.

Trade Union Facility Time Disclosures

The Trust made their submission on the 30th July 2019

for the year 1 April 2018 to 31 March 2019. The 2019/20 submission is published in July 2020.

Employees in your organisation
1,501 to 5,000 employees

Trade union representatives and full-time equivalents
Trade union representatives: 37
FTE trade union representatives: 32.39

Percentage of working hours spent on facility time
0% of working hours: 15 representatives
1 to 50% of working hours: 22 representatives
51 to 99% of working hours: 0 representatives
100% of working hours: 0 representatives

Total pay bill and facility time costs
Total pay bill: £ 219,666,000
Total cost of facility time: £ 20,560.9
Percentage of pay spent on facility time: 0.01%

Paid trade union activities
Hours spent on paid facility time: 1315.5
Hours spent on paid trade union activities: 867.91
Percentage of total paid facility time hours spent on paid TU activities: 65.98%

Communicating and engaging with our staff

The Trust recognises that communicating and engaging with our staff is a key part of our success. Having a committed and engaged workforce contributes directly to the quality of the care we provide to our patients. Feedback from the 2019 Staff Survey showed that staff reported that communication between them and senior management has improved and there was good communication between staff and their immediate managers. Messages are delivered in a variety of ways both within individual teams and departments and across the Trust as a whole.

Examples of staff communications and engagement include:

- Monthly staff briefings are led by our Chief Executive. We share information on key operational issues and gain feedback from staff
- Employee and team of the month award
- Executive Team present to new staff at induction monthly.
- Established local newsletters are in place across divisions, departments and wards to share good practice and learning within teams
- A bi-monthly newsletter is sent to all Trust staff, developed by the Staff Involvement Group, which includes stories from staff about health and wellbeing and the contributions they make to the Trust and our local community
- Key time-sensitive messages are cascaded to all staff via our intranet and email systems
- Regular meetings are held with senior leaders in our clinical divisions to share information with and receive feedback from frontline colleagues
- Our Trust Board meets quarterly with our Council of Governors, which includes nine elected staff governors
- Quarterly public Trust Board meetings
- Staff governors actively speak directly to colleagues to gather their thoughts and ideas about how to improve working lives at the Trust
- Medical Staff Committee and Junior Medical Staff Committee
- Non-Executives attend the clinical divisional meetings
- The Joint Staff and Management Council (JSMC). This is a meeting of staff side representatives and senior managers of the Trust. The meeting is used to develop and consult on policies and any other matters that affect staff. The staff side JSMC representatives have been particularly supportive in the implementation of many initiatives where there has been a workforce implication, including providing support on change management consultations with staff. Regular meetings are held with senior managers and the Human Resources team to engage in discussion over formal consultations.

Volunteers

Volunteers make a huge contribution to the health and wellbeing of the nation, giving their time, skills and expertise freely each year to support the NHS. They are crucial to the NHS's vision for the future of health and social care, as partners with, not substitutes for, skilled staff, supporting patients and visitors as well as clinical staff. Volunteers work alongside our staff teams to help us deliver our Trust vision of attracting the best people, value and develop them so that the teams they work in deliver outstanding care to our patients.

With the emergence of HelpForce, NHS England have begun to recognise the significant role of volunteers within the NHS leading to increased research, development and funding for volunteering. Other partners include NHSI, Health Education England, NCVO and NAVSM (National Association for Voluntary Service Managers). As a Trust, our voluntary services are engaged with these partners with a view to positioning the Trust to benefit from future developments and funding opportunities as a result of this increased profile - our Community Engagement and Voluntary Services Manager continues to be a member of the

National Executive Committee of NAVSM as their eNews Editor, responsible for newsletters which are sent out to members nationwide.

There has been a transition for our Voluntary Services Team this year as they have become part of the Trust's Charity. Historically the Charity has supported volunteer involvement at the L&D, so whether people are giving their time or donations, this merger will ensure greater support to our patients, visitors and staff. Volunteering will undergo significant development following the merger with Bedford Hospital. Involving over 560 volunteers across both sites in the work of our new combined Trust will enable the Trust to proactively further involve members of our community in our work. This does not include the 5 staff who volunteer in addition to their regular roles. This community engagement has seen over 27000 volunteer hours donated in 2019/20 in just the L&D alone, amounting to an approximate minimum wage equivalent to £267,500 of additional support and the equivalent of over £200,000 at Bedford. This is without additional benefits related to positive patient outcomes associated with volunteer involvement.

There are presently over 45 different roles in the Trust at the L&D and Bedford, allowing people of all ages and backgrounds to find challenging and rewarding opportunities which reflect their availability, ambitions and passions, and combined with assuming responsibility for the Trust's Work Experience Programme in the coming year, it will enable the Charity Team to further support the local community and engage them in the work of their hospitals.

At the start of the Covid-19 outbreak, we took the decision to scale back our volunteer support, but as the impact of the situation grew, we evolved ways to enable volunteers to contribute positively. We have developed a fast track application process to support new applications during this time, using the e-Learning for Health training modules to recruit volunteers within one week and we have been joined by 21 new volunteers across both sites. Alongside 20 existing volunteers who are continuing to come in or have redeployed, we have been able to support the charity team (delivery of donations, and admin support and delivery of donated PPE between Trusts), pharmacy, nutrition and dietetics delivering to patients off site, maternity, wellbeing hub, incident control room and even the mortuary. One of the Community Midwifery Team at Bedford says: "We don't know how we would have managed without the volunteers delivering the booking packs to patients for us. It's amazing!" Other feedback has included "We really do appreciate everything you and your team of volunteers are doing to help".

Additionally, we enlisted the support of Project Wingman, in our Wellbeing Hubs. Furloughed or grounded aircrew, trained in human factors and how to communicate in stressful situations, are volunteering their time to support NHS staff by providing 'First Class Lounges' within the Trust.

Due to the Covid crisis, the student volunteering prgramme has been put on hold, however we are currently looking to organise Zoom interviews with students from Dunstable College to undertake their recruitment process, ready for them to start next year. We have increased the number of schools that we are working with from 4 to 7.

The Trust's main focus was supporting our volunteers through the pandemic. Keeping in touch with our existing volunteer base has been of paramount importance and this has been achieved through regular communication; newsletters, individual phone calls and Volunteer 'Zoom Coffee mornings'. We have additionally benefitted from a number of volunteers supporting our staff, by arranging and delivering donations, gifting embroidered NHS Heroes caps to A&E staff, and one very elderly volunteer making facemasks for the Gastro Team (they have subsequently delivered her flowers in thanks).

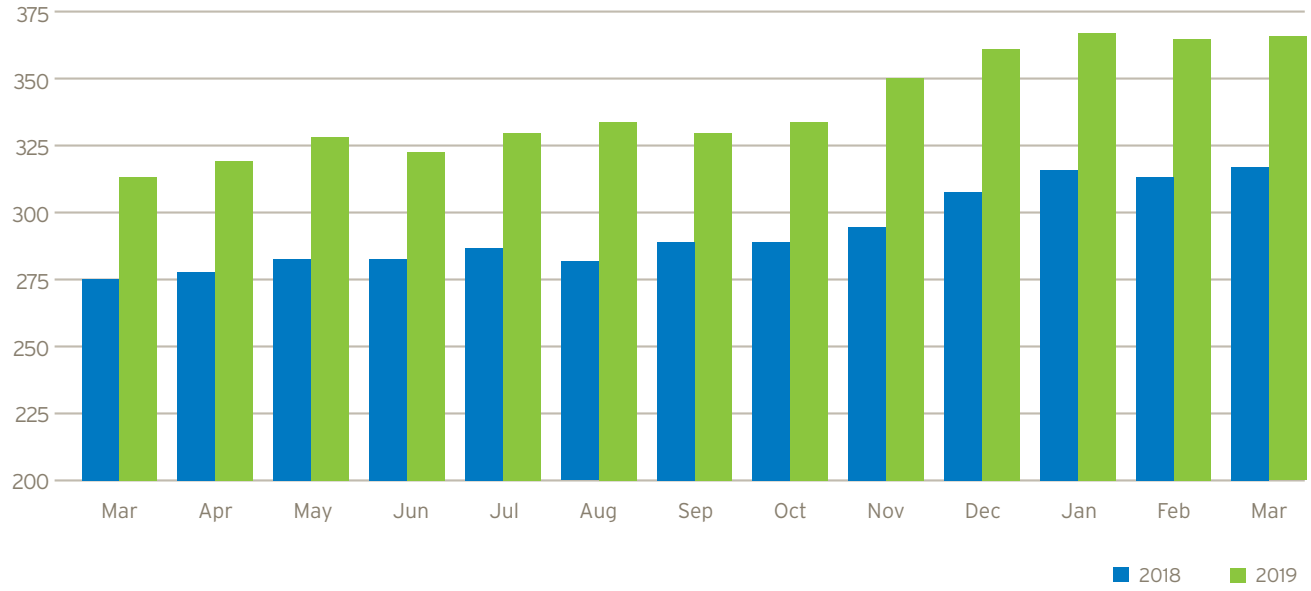
Dr Johnson – Consultant Gastroenterologist wearing facemask gifted by Anne Shanks, Volunteer.

Pre Covid, two of our remarkable Main Reception volunteers, Mr & Mrs Pattni, continued their fundraising activities and raised a further £8,000 to add to the £4,000 they raised last year to support the Trust's Helipad appeal.

The planned Volunteer Annual Thank You awards in March had to be postponed, however we have ensured that each volunteer has received personalised thank you cards, and we have a targeted Social Media campaign to showcase the amazing work volunteers do across both sites.

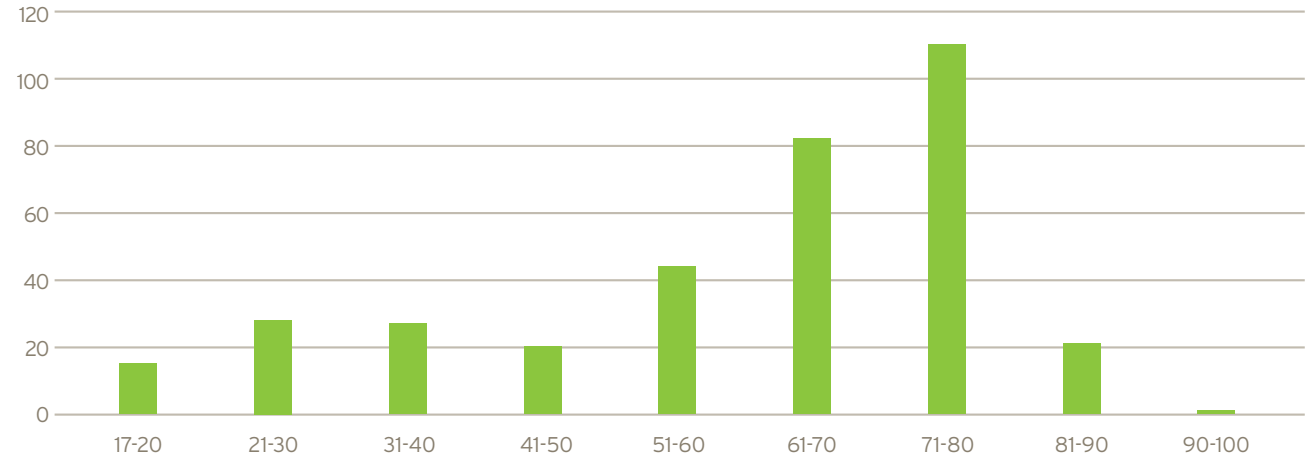
Numbers of volunteers March 2019-End March 2020

L&D - (figures not available for Bedford).



Total volunteers in age groups - L&D

(figures not available for Bedford)



Generally, those in the 17-20 age category use their volunteering experience to help them gain an insight into healthcare which in turn supports their applications for health related courses. Young people make valuable volunteers who can have a highly positive impact. Volunteering in local communities also provides many benefits for young people and their development. This includes building a sense of community, and developing a range of skills such as team working, interpersonal skills, and problem-solving, all of which are crucial for their success in higher education and the workplace.

Moving forward, post-merger, we will be combining and re-developing our systems and processes with a view to encouraging further support and the growth of volunteering within the Trust in the future when volunteers are able to safely return.

Whilst it is our ambition to sustain the growth continuum in the coming year, reintegrating volunteers into the Trust presents challenges, as a number of them due to age and health conditions, are clinically vulnerable. Coupled with the challenges of social distancing within the volunteer environment, appropriate risk assessments and placements will be key to ensuring that reintegration can be undertaken safely. It will also be critical to consider the balance between the volunteers themselves and those of the service, to ensure that we invest in capacity, capability and flexibility to incorporate their return.

Staff Involvement Group

The focus of this group is on developing a culture of staff involvement, open communication and partnership, working with factors that have a real impact on staff such as reward and recognition, security, health and wellbeing. The membership of the group is diverse and members are active in taking forward themes from the staff opinion survey and 'testing the ground' with staff initiatives to improve the patient experience.

Engagement events 2019

Our 'Good, Better, Best'' staff engagement event was a great success. More than 80% of our staff participated during the week in July 2019. The focus of the event was on engaging with our staff on redevelopment priorities and quality improvement techniques.

The Good, Better, Best Christmas staff engagement event was held in December 2019 with more than 2500 members of staff attending the sessions. Themes this Christmas included an update on the position with Bedford Hospital and an interactive Q&A session between the Chief Executive and those attending the event. An update was provided on new waste management.

NHS staff survey

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in eleven indicators. The indicator scores are based on a score out of 10 for certain questions with the score being the average of those.

The response rate to the 2019 survey among Trust staff was 47% (2018: 52%). Scores for each indicator together with that of the survey benchmarking Group 'Acute Trusts' are presented below.

	2019		2018		2017	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	8.8	9.0	9.0	9.1	8.9	9.1
Health and Wellbeing	6.1	5.9	6.0	5.9	6.1	6.0
Immediate Managers	7.0	6.8	6.9	6.7	6.9	6.7
Morale	6.3	6.1	6.1	6.1	Not measured	Not measured
Quality of Appraisals	6.2	5.6	6.0	5.4	5.8	5.3
Quality of care	7.8	7.5	7.6	7.4	7.6	7.5
Safe environment – bullying and harassment	7.9	7.9	7.9	7.9	7.9	8.0
Safe environment – violence	9.4	9.4	9.5	9.4	9.3	9.4
Safety culture	6.8	6.7	6.8	6.6	6.7	6.6
Staff engagement	7.3	7.0	7.2	7.0	7.2	7.0
Team working	6.8	6.6	Not measured	Not measured	Not measured	Not measured

Commentary

A sample survey was conducted in 2019 and this sought the opinion of 1250 of our staff. The response rate was 47% and although lower than the 2018 response rate it was average compared to all Acute Trusts. The results are mostly average or above average in comparison to the benchmarking group with a slight reduction in relation to equality, diversity and inclusion since last year. There is a significant increase in relation to discrimination at work from patient/service users and members of the public, in particular, which is concerning.

In the section entitled 'Your Job', there were some very good results such as:

- I am enthusiastic about my job: 82% (up 5%)
- I am able to make suggestions to improve the work of my team/department: 78% (up 3%)
- I am able to do my job to a standard I am personally pleased with: 86% (up 2%)
- I feel that my role makes a difference to patients/ service users: 92% (up 3%)
- I am trusted to do my job: 94% (up 2%)
- I am able to deliver the care I aspire to: 76% (up 5%)

The high priority given to quality improvement with a substantial number trained in Quality, Service Improvement and Redesign is having a positive impact as staff become engaged in developing new ideas for service delivery across the organisation.

Immediate line managers continue to support their teams, give clear feedback on work, take a positive interest in their staff's health and wellbeing, value their work and support training, learning and development. Line managers are able to make a distinct impact on how staff feel about their roles and the quality of the relationship is key to retaining staff.

There continues to be a positive safety culture where action takes place to deal with errors, near misses or incidents and there is feedback about changes and improvements. Staff confidence in relation to feeling secure raising concerns has dipped slightly this year so we will continue to promote the Freedom to Speak up Guardian role to reassure colleagues that we are keen to hear their views.

Areas for improvement

We recognised that there is still more work to do in relation to harassment, bullying and abuse from some patients and service users and we will continue to support staff in dealing with these difficult situations. In addition, discrimination is an issue, particularly for BME and disabled staff, and we will be working towards improving this over the next year.

Stress in the workplace continues to remain higher than we would like, however, it is lower than the average which is 5% higher. As an organisation, we cannot be complacent and our health and wellbeing activities are designed to support staff and mitigate the impact of stress in a highly pressurised, busy hospital. In response to a question about the organisation taking positive action on health and wellbeing, we have had a positive response which is 9% above the average.
Finally, we remain concerned about the feedback from the survey that suggests that staff have experienced musculoskeletal (MSK) problems as a result of work activities. The trend is upward since 2014 with a slight reduction this year but the Trust remains above average.

Future priorities

We will be developing a publicity campaign to promote our organisational values and encourage the general public to work with us to ensure positive behaviours in all our interactions with them.

The policy and campaign to reduce acts of violence from the public has had some impact and we will continue to promote and enforce this across the Trust.

Staff can access fast-track physiotherapy and we offer comprehensive manual handling training for both clinical and non-clinical colleagues. We will consider if it would be appropriate to launch a series of 'reminders' about safe moving and handling as part of our internal communications.

We will reinforce the positive messages around speaking up if a member of staff has concerns through the Freedom to Speak Up Guardian. We will also be recruiting more Freedom to Speak Up Champions.

Equality and Diversity

As detailed within this section, during 2019 – 2020, there has been continued focus on projects that evolve from our statutory reporting, data analysis and our commitment to making improvements using our 5 Key EDHR principles of Fair Treatment, Access, Inclusion, Dignity and Respect.

This section also details four key organisational developments that have had a profound impact on strategy and resource, and consequently on the use of the use of Equality data as well as broadening Equality and Diversity strategy, projects, initiatives.

Reporting and Equality Data

March 31st 2019 saw the Trust's fifth year of comprehensive equality reporting, bringing valuable data to help with informed decisions about service or workforce changes and objectives.

The 5 annual reports (on Workforce Equality, Patient Equality, the Workforce Race Equality Standard WRES, Workforce Disability Equality Standard WDES and the Gender Pay Gap report), include benchmarking, comparison and analysis and can be viewed on the Trust website.

A summary of this year's workforce data can be seen later in this section under Equality and Diversity Data - using Employee data as at 31st March 2020

Four Key Organisational Developments - Data Use - Equality Analysis and Impact Assessment EAIA

The 4 key organisational developments in 2019 to impact on strategy and resource and on the Equality and Diversity remit are:

1. **Receiving capital -** capital was received from the Government for the redevelopment and extension of Luton and Dunstable Hospital.

2. **Hospital Merger -** the capital received enabled the merger of **Bedford Hospital and Luton and Dunstable Hospital to become one Trust on April 1st 2020.**

3. **New NHS Business Plan -** the NHS launched a new NHS Business Plan that focusses on Prevention and Health Inequalities and also care pathways.

4. A **new NHS Interim People Plan** to support the Business plan with a new people strategy for new ways of working

The Trust uses Equality Analysis to help make best informed decisions. These developments have been key equality areas to focus on in terms of measuring the potential impact of any changes to strategy, policy, service, workforce, process, or location etc. to individuals and / or groups when it comes to:

- Different protected characteristics such as age, gender, disability, race or ethnicity, religion or belief, sexual orientation, transgender or transsexual, by marriage or civil partnership, and by pregnancy or maternity.
- Other characteristics and needs, such those related to being in rural or urban locations, socio-economic, literacy and computer literacy, different languages and health inequalities.

For instance, the Trust completed an initial Equality Analysis – Impact Assessment for the final business plan for the merger which is being updated as progress is made. The Trust also responded to questions from NHS Improvement in regard to the approach taken in this assessment. This is because the merger is a major, radical change which is likely to have a significant impact on different stakeholders and sections of the community.

This data and analysis gives better understanding of our patient and workforce profiles and takes account of the different needs, circumstances and experiences of those who are affected by our decisions and policies. In doing so, there is an expectation of better, more effective, more accessible and inclusive services and employment. It also helps us to consider other ways of achieving our aims, to mitigate negative consequences and also to promote the positive outcomes.

Reviewed Equality Analysis and Impact Assessment EAIA Process / Trialling a Toolkit

The Trust has looked at new ways of producing Equality Analysis – Impact Assessments such as a Toolkit to help in understanding the requirements, the need and the varied approaches to be taken in different circumstances to enable informed decision making and best practice. A reviewed process has been considered to cover the knowledge and skills needed for EAIA and will be adjusted as required. This key tool for informed decisions needs to be user-friendly, relevant, more embedded and business as usual in use.

Wider considerations
Other considerations are factored in that evolve from the protected characteristics and our 5 EDHR principles, and are relevant to the community served, such as:

- **Health Inequalities –** especially important to the new NHS Business Plan with its focus on management of prevention and health inequalities - Under the Health and Social Care Act 2012 the Trust must help reduce inequalities for patients. This relates to their ability to access health services and in health outcomes achieved for them, in promoting involvement of patients and their carers in decisions, and in enabling choice in the health services provided for them. Previous focus was on socio- economic factors known to have a strong impact on health. Now it includes health inequalities related to protected characteristics and how fair services or health outcomes are.
- **Transgender people -** Gender reassignment is about binary people whose gender identity is opposite to the gender assigned at birth and how this is addressed. However a much larger group of Transgender people are non-binary, e.g. trans-fluid moving between male and female gender identity, or not identifying with any gender. This wider group also needs to be considered.
- **Carers –** caring responsibilities are not a protected characteristic but are included in equality analysis since those caring for an elderly person, or a disabled child or adult are protected by the Equality Act 2010 from discrimination by association and from harassment because of their caring responsibilities at work or outside of work. There can also be a gender impact, i.e. where females are more likely to be carers and career opportunities are affected by time, availability, and lack of flexibility or adjustment offered.
- **Accessibility –** such as
  - **Location -** where people live is not a characteristic protected by law, but it is good practice to consider carefully how location such as Rural or Urban - may affect people's experience of a policy or service such as inability to travel, travelling time, mode, distance, transport provision and cost.
  - **Literacy, language or communication needs –** such as interpretation, translation, text to speech and speech to text, easy read, sign languages
  - **Socio-economic -** such as income, poverty, literacy (reading and writing), computer literacy (ability and access to equipment).
  - Those for whom the **NHS Accessible Information Standard** applies, such as providing access for those with hearing or vision loss, learning disabilities, autism or dementia.

Vision and Values - The Equality and Diversity Agenda works in conjunction with the vision and values of the Trust and both are fundamental to culture and conduct.

Collaborating on merging EDHR strategy and policy for the new Bedfordshire Hospitals NHS Foundation Trust

- **Existing and planned Equality and Diversity Partnering at the Luton and Dunstable and the Bedford Hospitals -** From January 2018 this has included:
  - **Interpretation as a key equality area and patient service -** A shared initiative was to undertake a full European Procurement Process for a new interpretation contract / provider for both Trusts. This secured a strong partnering relationship with provision for a single contract if appropriate. It also secured a new contract with a greater range of service benefits, management support and information for this service. The data enables a more knowledgeable, proactive approach to service improvements with a high level of equality data.
  - **Initial Leadership -** The leads for Equality and Diversity at Bedford Hospital (NED Chair and Deputy Human Resource Director) have been invited to quarterly meetings at the L&D. Meetings have also been held between the Equality leads at each hospital.
  - **Initial Collaboration -** The Equality Lead at Luton looks after Equality and Diversity for the workforce and patients and works closely with the Patient Experience manager on this agenda and interpretation. The Assistant Director for Patient Experience at Bedford has responsibility for leading on Patient Equality and Diversity and the interpretation contract for Bedford. Work is underway to reach a collaborative approach for EDHR strategy, workforce and patient experience and the interpretation and Accessible Information Standard areas.

Plans for Equality and Diversity Governance from April 1st 2020 under the new Bedfordshire Hospitals NHS Foundation Trust

- **Governance -** The Board Level Leadership governance, reporting structure, Equality and Diversity framework, EDHR Committee, Strategy, policies etc. are being reviewed.
- **Stakeholders -** this will include looking at better sources of engagement, consultation, communication and qualitative as well as quantitative information from Patient Groups, Governors, staff networks and external groups with an interest.

- **Data collection and Analysis Improvement -** Data collection, analysis and reporting needs to become a wider norm with a more cohesive approach across patient services and the workforce at both hospitals so that there are complete patient and workforce profiles to consider both separately for each site and together as a whole if required. This includes:
  - **Increasing efficient collection of aggregate patient data** on current systems as much has to be married up manually currently (which is an issue for many Trusts). IT systems at Luton and Bedford are different and any new systems need to factor in the data needed.
  - **Areas of low declaration for patients and the workforce need to be addressed i.e.** sexual orientation, religion or belief and disability.
  - **Sensitive/new areas need to be addressed with a cohesive approach –** such as: broader gender and sexual orientation options on forms including prefer not to say or broader ethnicity considerations e.g. for white ethnicities.
- **Having a cohesive approach to annual workforce data reporting -** so that each hospital's annual reports contain not just generic equality data but that both hospitals can benefit from the specific data used by each in reaching relevant and helpful information.
- **Comparison of the status of other workforce reports for each hospital -** so that there is knowledge of the differences between the sites and the performance of each with shared skills and learning on the WRES, WDES, Gender Pay Gap Report and shared experience of a trialling Ethnicity and Gender Pay Gap Reporting.

The Four Key Organisational Developments and the year ahead – preparing for the many projects and changes to come and the potential impact.

The 4 key organisational developments in 2019 that impact on strategy, resource and the Equality and Diversity remit were mentioned earlier in this section - Receiving capital -Hospital Merger - New NHS Business Plan and - a new NHS Interim People Plan to support the Business plan with a new people strategy for new ways of working.

Within this consideration of Equality and diversity impact and needs, along with messaging and referencing, are very important to perceptions of intention and commitment to fair treatment, dignity, respect, access and inclusion for all. The Trust aims to ensure that:

- specific undertakings of the Trust for commitment and governance are clearly laid out
- there are no omissions or inclusions in plans that may lead to unintended consequences - or which may be deemed negative in terms of an impact either by language used or the intentions
- there are no omissions in content that indicate relevant considerations have not been made or have not been appropriately highlighted when appropriate
- key initiatives such as NHS, National and CQC Equality and diversity expectations are covered

The holistic and wellbeing approach of Equality and diversity embedded in all activities, must be within organisation culture, mission, vision and values is evident and referenced.

Equality, Diversity and Human Rights Framework - The Trust continues to update the "need to know" briefing appendices under the EDHR Framework. See more under corporate / equality and Diversity / reporting on the Bedfordshire Hospitals NHS Foundation Trust website: This includes, for example, simple, more engaging guidance to the Gender Pay Gap Reporting and the Workforce Disability Equality Standard.

Organisational Values and Staff / Patient events in the year 2019-2020. To help with embedding good organisational culture the Trust has worked to develop and use Trust values that also embrace EDHR values of fair treatment, access, inclusion, dignity and respect. Conduct, values and inclusion initiatives have been a continued thread through staff events in 2018-2019 and in 2019-2020 such as the annual all staff Event in the Tent.

- **Celebrating NHS Employers EDHR week**. Between May 13th and May 17th 2019, the Trust, EDHR Committee, Chaplaincy and Trade Unions set about holding daily events. This included:
  - **Promotion of the value of staff networks and inclusion -** with a Talk by Cherron Inko-Tariah on the power of staff networks and the positive impact they can have on an organisation. Also a workshop seminar from Wendy Irwin, Equality Lead at RCN on the power of inclusion and civility.
  - **Awareness of Equality, Diversity and Inclusion -** with stands in the restaurant and main foyer to share data and initiatives with staff, patients and visitors.
  - **Promoting – "What's it got to do with you?"** getting confidence in sharing Equality Data initiative emphasising its value, anonymity and how to share data. Also the value of respectful conduct, speaking up, declaration and value of data collected.
- Community Health, Wellbeing, Equality and Diversity – Tent Event 10th July 2019

Public and Staff were invited to a community wellbeing

and diversity event with stalls and information provided by community participation stakeholders. Internally this included representation from the Chaplaincy, volunteers, Equality and Diversity, Patient Experience, ELFT Mental Health, and from clinics such as diabetes, maternity, and obesity. Externally this included the Terrence Higgins Trust, Mind, Maternity Voices, and other key health and wellbeing organisations.

Workforce Disability Equality Standard WDES report – Staff data at March 31st 2019 and from the staff survey in Autumn 2018, informed the content of the second WDES report for year ending March 2019. The full report can be seen under corporate / equality and diversity / reporting on the Bedfordshire Hospitals NHS Foundation Trust website.

The Trust initiatives in 2018 and 2019 to improve declaration of disability, as well as sexual orientation and Belief, have had limited success. This was even after the previous shift from 56% to 33% non-declaration for these areas due to new recruiting processes / new employee self-record system ESR. More initiatives are now planned as low declaration affects data validity and progress.

Notation about Covid-19 and the WRES – WDES reports for August 2020. In April 2020, NHS England WRES / WDES teams announced that there was no requirement to collect the electronic staff data for the WRES indicators and WDES metrics at March 31st this year. However, the staff survey data that also goes into these reports has already been collected as usual in late 2019, and can be utilised in initiatives.

Workforce Race Equality Standard WRES report - Staff data at March 31st 2019 and from the staff survey in Autumn 2018, informed the content of the 6th WRES report for year ending March 2019. The report and the progress being made can be seen under corporate / equality and Diversity / reporting on the Bedfordshire Hospitals NHS Foundation Trust website.

Gender Pay Gap Reporting. The data collected on March 31st 2019 and the subsequent report due for publication from this by March 30th 2020 has not yet been published due to the Covid-19 pandemic. The government decided on March 25th to suspend the statutory requirement for this year. However, the suspension was very close to the publication date and so the Trust like many organisations had already prepared their report. Once this is approved it will be available on the Equality and Diversity Section of the Trust's website. The data for the March 30th 2021 report still has to be captured at March 31st 2020.

This was the third year of reporting and the Trust still has, as for the NHS in general, a higher ratio of female to male staff (80% to 20%).

Our Executive Board is reasonably proportional to the workforce with female to male ratio at 75% to 25%. However, a higher general level of males in highest pay quartiles, with female to male ratio at circa 67% to 33% impacts results. Also a predominantly male workforce in the higher banded Medical/ Dental Professions where a Local Clinical Excellence Award LCEA bonus is applied impacts where proportionally only 1.65% of staff receive a bonus (of which 0.67% are female and 4.72% male employees).

The Trust's previous report has laid out recommendations to improve our Gender Pay Gap results – see under corporate / equality and Diversity / reporting on the website. Note - Data has been collected at March 31st 2020 for the March 30th 2021 report.

Accessible Information - Interpretation and Translation Services. In 2018 the focus was on continued improvement to the Interpretation and Translation Service and Policy. During 2019-20, this critical service achieved a high level specification of requirements. There is now an "Interpreting Guide for Staff - When appropriately helping out in extenuating circumstances" which helps in supporting this critical, professional function.

Not all the Trust's work for areas of EDHR can be covered in this report and so the above are samples of key areas.

EDHR and the Care Quality Commission CQC. The last inspection was in 2018 and prior to that 2016. EDHR was firmly in the CQC inspection and covered Governance and Reporting, Leadership from the top, EDHR in both Patient and Workforce Experience, culture and conduct, health inequalities and the community.

Trust Board Seminar and other Committees - EDHR Framework strategy and Equality Objectives must be reviewed every 4 years and be relevant to the Trust. However, objectives are reviewed annually as a result of our Annual Equality Reporting. EDHR review dates are now in line with corporate reporting and review for simultaneous consideration and embedding in all the Trust does, along with corporate vision, values and objectives. The annual data and analysis reports are also presented to, shared and discussed with the COSQ Committee and Clinical Board.

There is a lot to share and discuss from the results of merger with Bedford, our Equality reports, objectives and

actions. There has also been Trust Board and Executive team member changes which along with Covid-19 challenges will mean that planning will be delayed and altered accordingly.

The current EDHR Committee - reports directly to the Trust Board. Staff, Public and Council Governors attend as well as a Patient representative. The circa 25 members make it a well-attended broadly representative committee from across the Trust. The Committee meets quarterly with smaller focus groups as required. Going forward the EDHR committee will be reviewing annual equality information and determining the next objectives which will include:

- Progressing Staff EDHR Networks Strategy
- Measures for a representative workforce such as within Gender, Ethnicity and Disability with access to non-mandatory training and CPD, Pay Bands representation, recruitment and selection, Board representation
- Gender Pay Gap initiatives
- Declaration initiatives to improve disability, sexual orientation, religion or belief data
- Disability confidence – for both physical and mental disability
- Focus on initiatives around organisational changes and development, and needs that may arise from Covid-19.

The Trust has in place policies and procedures to support Equality and Diversity including:

- Equalities and Human Rights Policy – supporting positive action for equal access
- Equality Analysis Guidelines – ensuring policies, guidelines, service changes are assessed for equality issues
- Recruitment, Advertising and Selection Policy – supporting fair recruitment
- Flexible Working Policies – supporting working arrangements
- Workplace risk assessment for new and expectant mothers
- Reasonable Adjustment Policy – supporting positive changes to the workplace to allow continued employment

Equality and Diversity Data using Employee data as at 31st March 2020

For the last 5 years the Trust has produced comprehensive Annual Equality Data Reports for the Workforce and for Patients. These can be viewed on the Equality and Diversity area of the Trust's website. The information below shares some of the workforce data with some analysis of what this data shows compared to last and previous year's annual reports.

Staff establishment - The number of staff at March 31st 2020 totalled 4649, an increase of 6.37% from last year and an increase of 19.8% since March 2015. The average annual increase in staff is circa 3.3% against a larger increase in patient attendances by up to circa 5% each year.

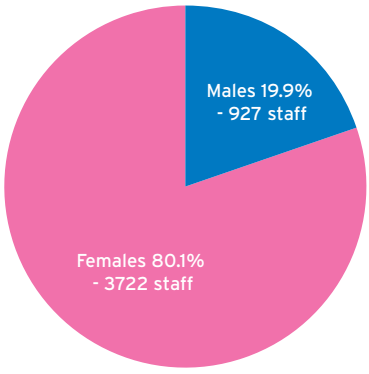
Increases in Staff by number and percentage

Year ending	Staff total	increase by number and percentage	
At March 2015	3880		
At March 2016	3813	-67	-1.76%
At March 2017	3950	137	3.47%
At March 2018	4206	256	6.09%
At March 2019	4353	147	3.38%
At March 2020	4649	296	6.37%

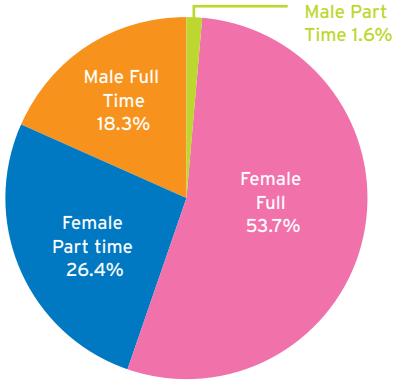
Gender - the ratio of male to female remains consistent- this year's ratio at 19.9% male to 80.1% female. Last year's ratio was 19.7% male: 80.3% female.

As can be seen by the chart below, the proportion of female who are part time working is high at 26.4% (just over a quarter of our whole workforce and a third of the female workforce). This has an impact on gender pay especially when male part timers are only 1.6% of the workforce.

Ratio of Male to Female Staff



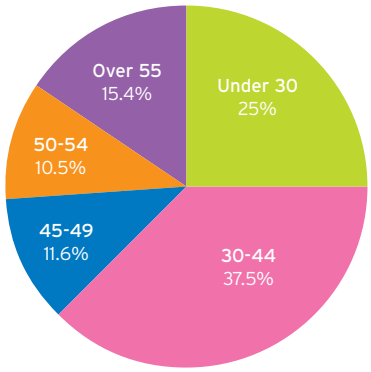
Gender by full and part time working



Gender Pay Gap Reporting at March 31st 2019 – On March 25th 2020, due to the Covid-19 Pandemic, the Government suspended the need to report at March 30th 2020 on the Gender data captured at March 2019. The report had already been produced to meet the required publication date and approval has been delayed. The data for the March 30th 2021 report still has to be captured at March 31st 2020.

Age Profile – Age has high declaration as date of birth is required for all employees. Over the 6 reporting years the workforce has increased in size but there is relatively the same proportion of staff in the age groups covered. The majority of staff are aged between 30-54 years of age.

Work Force by Age Band at March 31st 2020



The challenge for the Trust remains proportion of skilled staff in the over 55 age range (15.4% or 717 staff at March 31st 2020) who may opt for retirement.

Workforce by age groups between 2018 and 2020

	2018		2020		
Age groups	%	No	%	No	proportional ratio
Under 30	21.9%	922	25.0%	1162	increase
30- 44	37.0%	1556	37.5%	1742	increase
45-49	12.0%	505	11.6%	539	decrease
50-54	12.9%	544	10.5%	489	decrease
over 55	16.1%	679	15.4%	717	decrease
		4206		**4649**	

However, when comparison is made to the percentage in each age band across the National Workforce and the NHS, it can be seen that the Trust has a significantly higher level of staff in the 18-44 group and lower in the over 55 group.

Age Breakdown Comparison

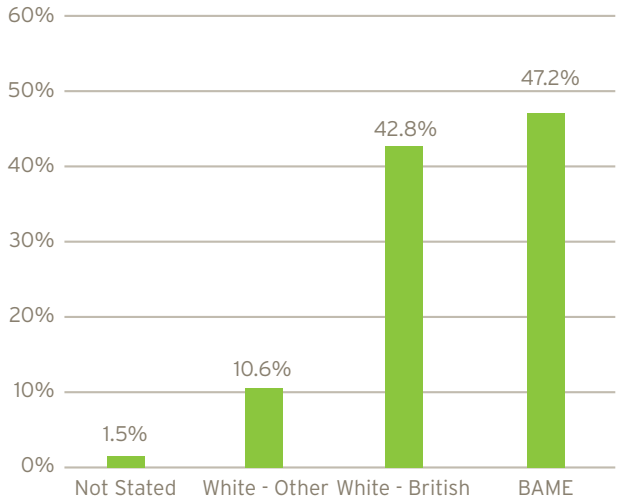
Age band	LDH	National Work force	NHS
18 to 44	62.5%	57.0%	53.0%
45 to 54	22.1%	21.0%	28.0%
over 55	15.4%	22.0%	20.0%

Ethnicity - The Trust is one of the most diverse organisations in the UK. This is an area of high declaration and only 1.5% did not declare their ethnicity this last year.

The staff level increases each year. The proportions of staff in the main 4 groups in the chart below generally show a slow steady increase in BAME matched by a slow steady decrease in White British, with a low non declaration rate and little change in the Other White group. In the last 6 years to March 2020, BAME has moved from being 37.7% to 47.2% (a 10.5% increase) and White has moved from 49.8% to 42.8% (a 7% decrease). White ethnicities has decreased slightly from 8.9% to 8.6% and non-declaration has decreased from 3.5% to 1.5%.

NB - BME and White minority ethnicities now make up circa 56% of the workforce (up 4% on the 52% from last year - or by 186 staff).

Ethnicity Percentages for the Workforce March 2020



Workforce by Ethnicity Year Ending 2020

White British	1988
White Other	398
Mixed - White & Black Caribbean	40
Mixed - White & Black African	14
Mixed - White & Asian	21
Mixed - Any other mixed background	30
Asian/Asian British - Indian	526
Asian/Asian British - Pakistani	294
Asian/Asian British - Bangladeshi	108
Asian / British - Any other Asian background	320
Any other Asian Background LC to LK	22
Black/ Black British - Caribbean	187
Black/ Black British - African	330
Black/ British - Any other Black background	32
Chinese	39
Any Other Ethnic Group	165
Vietnamese	1
Filipino	63
Malaysian	1
Other Specified	2
Not Stated	68

Main Workforce Ethnic Groups at March 31st 2020

	Number
White British	1988
Asian e.g. Indian, Pakistani, Bangledeshi...	1270
Black- African, Caribbean Other	549
White Other	398
Any other Ethnic Group	271
Mixed Race	105
Not stated	68

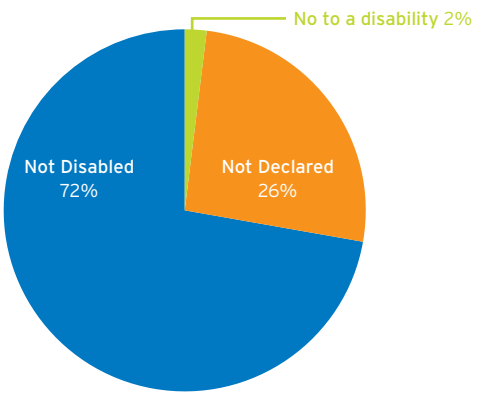
Disability, Sexual Orientation and Religion or Belief Declaration Levels – As for Patients, all these workforce areas continue to have lower declaration and further initiatives are planned to encourage more declaration to keep data capture relevant. These are deemed more sensitive areas and more confidence is needed to ensure awareness of the purpose and value of this data capture as well as the privacy given in its controlled and generic use.

Workforce by disability March 31st 2020

Disability – In the years 2018 to 2020, the percentage of staff identifying as disabled remains around 2% which is a low recording against national averages. The NHS staff survey results for the Trust staff usually show between 13-17% have a disability which is more in keeping with national workforce statistics.

Fewer staff did not declare their status from 35.6% in 2018 to 29% in 2019, then to 26% in 2020. However most of the higher declaration is reflected in the increase in non-disabled category from 62.35% to 69% to 72% this year. There still needs to be higher declaration and confidence in knowing a disability and in declaring one.

Workforce disability status by percentage



Religion and Belief - as can be seen from the data below the majority for declared religion or belief is Christianity at 42% and the next is Islam at 7%. However, non-declaration is 31.7% which affects the value of the data.

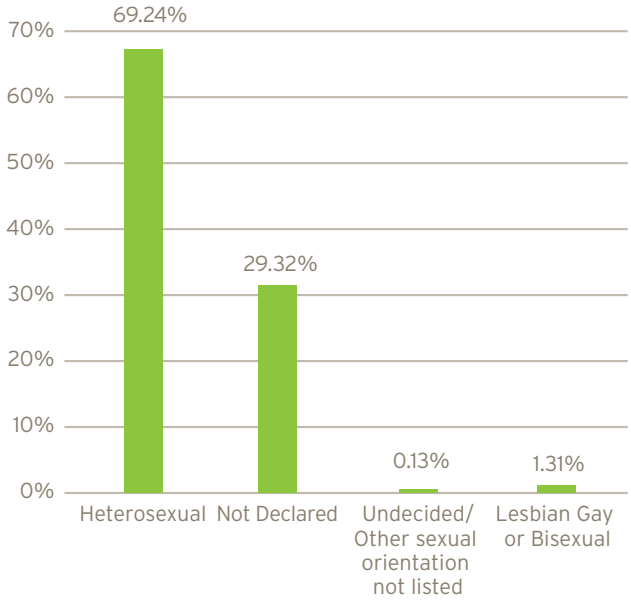
Workforce By Religious Belief

Religious Belief	Total
Judaism	8
Jainism	10
Buddhism	19
Sikhism	19
Hinduism	118
Other	288
Atheism	306
Islam	317
Undisclosed	1489
Christianity	1779
Grand Total	**4353**

Sexual Orientation - Last year at March 2019, there was little variation in the declared data for heterosexual and for Lesbian, Gay or Bisexual staff at 67.33% and 1.13% respectively compared to 67.5% and 1.09% in 2018. In 2020 the figures are 69.24% and 1.31% respectively and so similar slight improvements.

Last year a new category of "other sexual orientation not listed" was at 0.05% and this has increased to 0.13% this year. Non declaration levels remain high and are slow to improve from with 31.4% in 2018 to 31.5% in 2019 to now 29.32% in 2020 which affects validity of this data.

Workforce by Sexual Orientation



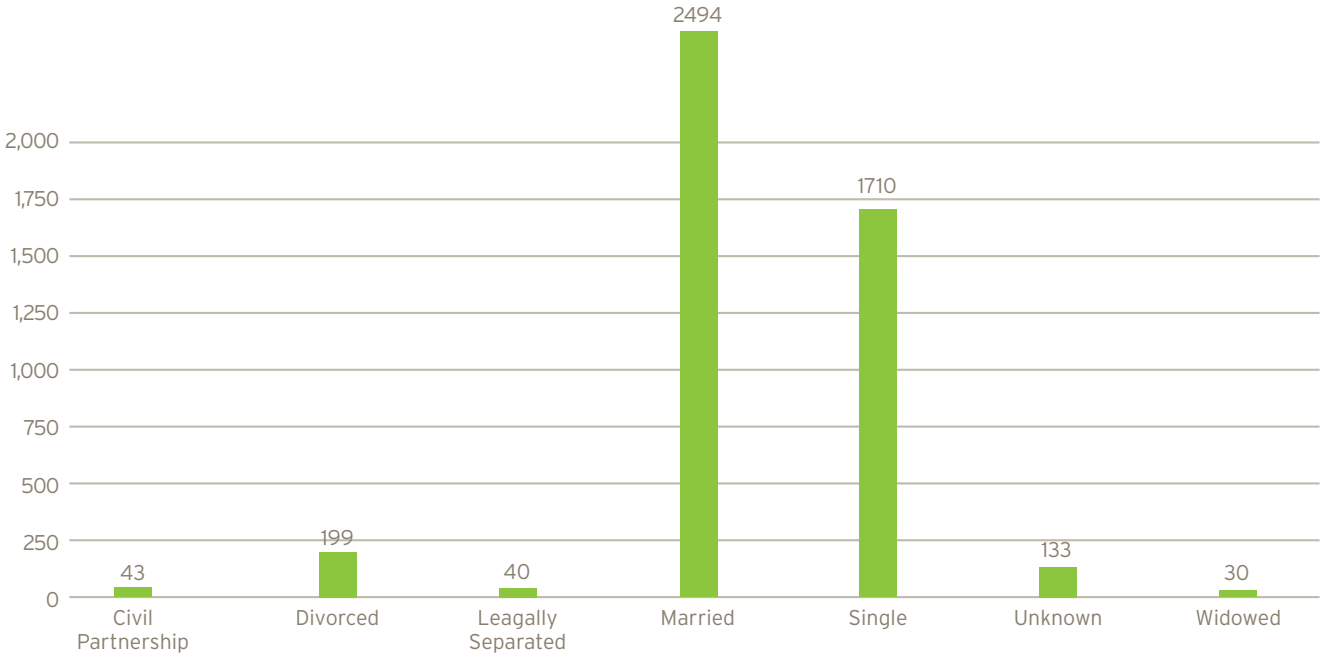
Transgender - Transsexual - Both the workforce and patients have had a small number of transsexual and transgender people presenting. As for all areas there is sensitive and confidential handling of this data. Also there is awareness and consideration of the different descriptions that this group may prefer to use to describe their identity.

Partnership status - marriage and civil partnership - As can be seen from the graph below, the majority status for staff remains 'married' at 53% followed by single at 37%. By ratios this is similar to last year's data across all categories but with a proportional increase. Data trends show a steady increase in civil partnerships (8 in 2016) with an increase to 43 staff this year.

Workforce Partnership status years ending 2018 to 2020

	y/e 2018		y/e 2019		y/e 2020	
Married	2202	52.4%	2301	52.9%	2494	53.6%
Single	1554	36.9%	1606	36.9%	1710	36.8%
Divorced	197	4.7%	194	4.5%	199	4.3%
Unknown	159	3.8%	157	3.6%	133	2.9%
Civil Partnership	30	0.7%	35	0.8%	43	0.9%
Legally separated	40	1.0%	35	0.8%	40	0.9%
Widowed	24	0.6%	25	0.6%	30	0.6%
	4206	100.0%	**4353**	100.0%	**4649**	

Workforce by Marital Status



Working with Our Partners

The Trust contributes to nationally recognised and statutory partnerships through:

- Ongoing collaboration as part of the Integrated Care Systems (ICS).
- Part of the Bedfordshire Care Alliance
- Work within the Local Maternity System for BLMK.
- A&E Delivery Board chaired by the L&D Chief Executive.
- Luton Transformation Board (including the Better Care Fund).
- Local strategic partnerships such as System Resilience Groups and Bedfordshire and Luton Local Resilience Forum.
- Local Safeguarding Children's Boards (LSCB) – Luton LSCB and Bedfordshire LSCB.
- Local Safeguarding Vulnerable Adult Boards for Luton and Bedfordshire.
- East of England meetings and events.
- Regular CEO meetings with Clinical Commissioning Groups (CCG) Chief Officers, Directors of Social Care and the Chief Officer of the Local Area Team.
- Role as lead organisation for the ICS digital transformation strategy around a shared patient record portal which enables intelligent viewing of appropriate information by primary care, secondary care, local authority and community and mental health service clinicians to ensure seamless, integrated care for the BLMK population.

Governance Report

Board of Directors

The affairs of the Foundation Trust are conducted by the Board of Directors in accordance with the NHS Constitution and the Foundation Trust's Authorisation.

The Board manages the business of the hospital and is the legally responsible body for making decisions relating to the strategic direction, performance and overall running of the Foundation Trust. The Board has in place a schedule of decisions reserved for the Board and a delegation of powers document, setting out nominated officers to undertake functions for which the Chief Executive retains accountability to the Board.

The Board delegates its duties for the day to day operational activities of the hospital to the Executive Board which includes finance, activity, performance, safety, clinical quality and patient care. The Board comprises seven executive and seven non-executive directors and meetings are in a public setting every two months. In addition the Non-Executive and Executive Directors meet bi-monthly in a seminar session and attend monthly Council of Governors meetings or seminars.

As far as the Directors are aware there is no relevant audit information of which the auditors are unaware and the Directors have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Professional Advice

The Board has access to independent professional advice, where it is judged that it is necessary to discharge their responsibilities as Directors.

The Role of the Chairman of the NHS Foundation Trust

The Chairman is pivotal in creating the conditions for cohesion between Board members and the executive roles of the directors. Specifically it is the responsibility of the Chair to ensure the effectiveness of the Board of Directors and to:

- Run the Board, taking account of the issues and concerns of Board members, be forward looking, and concentrate on strategic matters.
- Ensure that members of the Board receive accurate, timely and clear information to enable them to take sound decisions, monitor effectively and provide advice to promote the success of the Trust.
- Preside over formal meetings of the Council of Governors, and ensure effective communication between Governors and the Board of Directors and with staff, patients, members and the public.
- Arrange regular evaluation of the performance of the Board of Directors, its committees and individual Directors.

The Role of Non-Executive Directors (NEDs)

Our NEDs work alongside the Chairman and Executive Directors as equal members of the Board of Directors. The distinct roles of a Non-Executive Director are to:

- Bring independence, external skills and perspectives, and challenge to strategy development and Trust performance.
- Hold the Executive to account for the delivery of strategy; offer purposeful, constructive scrutiny and challenge; and chair or participate as a member of key committees that support accountability.
- Actively support and promote a positive culture for the organisation and reflect this in their own behaviour; provide a safe point of access to the Board for whistleblowers.
- Satisfy themselves of the integrity of financial and quality intelligence and that the systems of risk management and governance are robust and implemented.
- Ensure the Board acts in the best interests of the public; a Senior Independent Director (SID) is available to members and governors if there are unresolved concerns.
- NEDs including the Chair appoint the Chief Executive.
- As members of the Remuneration and Nomination Committee, determine appropriate levels of remuneration for Executive Directors; support the Chair in appointing and, where necessary removing executive directors, and in succession planning.
- Meet annually with the Chair to review the Chair's performance. The Senior Independent Director also takes regular soundings from Governors.
- Consult with the Council of Governors to understand the views of governors and members and accounts to the Council of Governors in terms of the Statutory and NHS Foundation Trust Code of Governance requirements.

Information regarding the appointment and removal of Non-Executive Directors can be found in the Council of Governors section.

Remuneration and Interests

The remuneration of individual Directors can be found in note 4.5 to the accounts.

Board of Directors 2019/20

Name	Post Held	Year Appointed	Term of Appointment	Status
Mr David Carter	Chief Executive	2018*	Permanent	
Mrs Cathy Jones	Deputy Chief Executive	2018**	Permanent	
Mr Matt Gibbons	Director of Finance	2019	Permanent	Interim from January 2019 Permanent from October 2019
Mrs Liz Lees	Chief Nurse	2018	Permanent	
Dr Danielle Freedman	Chief Medical Advisor	2015***	Interim voting	
Ms Angela Doak	Director of Human Resources	2010	Permanent	
Ms Catherine Thorne	Director of Quality and Safety Governance	2018	Permanent	
Mr Simon Linnett	Chairman	2014	3 Yr Fixed Term	To September 2020
Ms Alison Clarke	Non-Executive Director	2006+	Annual	To July 2019
Dr Vimal Tiwari	Non-Executive Director	2012	3 Yr Fixed Term	To September 2019
Mr Mark Versallion	Non-Executive Director	2014	3 Yr Fixed Term	To March 2020
Mr Simon Barton	Non-Executive Director	2018	3 Yr Fixed Term	To September 2021
Mr Mark Prior	Non-Executive Director	2018	3 Yr Fixed Term	To October 2021
Mr Denis Mellon	Non-Executive Director	2017	Interim voting	To May 2019
Mr Richard Mintern	Non-Executive Director	2019	3 Yr Fixed Term	To June 2022
Mr Ian Mackie	Non-Executive Director	2019	3 Yr Fixed Term	To June 2022
Dr Annet Gamell	Non-Executive Director	2019	3 Yr Fixed Term	To June 2022
Mrs Gill Lungley	Non-Executive Director	2019	3 Yr Fixed Term	To June 2022

* Appointed as Managing Director in May 2011 and became Chief Executive in May 2018
** Appointed as Director of Strategic Development in 2016 Deputy Chief Executive in May 2018
*** Appointed as Chief Medical Advisor (at the L&D since 1985)
\+ Reflects appointment to Board of Foundation Trust

A declaration of interest register is available for viewing in the Trust Offices.

Compliance with the NHS Foundation Trust Code of Governance

It is considered that the Luton and Dunstable University Hospital NHS Foundation Trust complies with the main and supporting principles of the Code of Governance. This includes the issues of whether or not all of the Non-Executive Directors are independent in accordance with code provision B.1.1. The Board has determined that all of the NEDs are independent in character and judgement.

In relation to the more detailed provisions of the Code of Governance, the Trust were compliant with the provision with the exception of section B.1.2 the Trust was compliant from June 2019 through to March 2020 when the Board had half the Board of Directors as Non-Executive Directors excluding the Chair. In our Constitution the Chair votes as a Non-Executive and has a casting vote.

Independent Evaluation of Board Performance both Collectively and Individually

The Board continuously analyses its performance, duties and role on an ongoing basis and employs a Board Secretary to observe the board activity and report findings into the Board of Directors. The Board analyses its own performance at the end of each Board meeting and also requests feedback from Governor Observers at each meeting that is subsequently reported to the Council of Governors.

HM Treasury

The FT has complied with cost allocation and charging guidance issued by HM Treasury.

Board Evaluation and Well Led Framework

Monitor's Code of Governance suggests that Trusts conduct an external Board Evaluation every three years.

The Trust understands and accepts that a periodic and rigorous board evaluation process represents best-practice and should be considered as part of any governance review. An external review took place in 2013 and the Board took assurance from the CQC inspection in 2016. The Board undertook a self-assessment in July 2018 and were subject to a further CQC inspection in August to September 2018 resulting in a rating of 'good' in the December 2018 report.

The Board of Directors continue to hold a number of seminars throughout the year and to assess the strategic direction of the Trust and ensured that PricewaterhouseCoopers (PwC - internal audit) provided independent review of progress within the clinical divisions.

Following the merger with Bedford Hospital, part of the integration plan is to complete a self-assessment one year post merger.

Trust Directors: Expertise and Experience

Executive Directors

Mr David Carter
Chief Executive

David Carter has 20 years' experience as a Board Director for various NHS organisations including mental health, community and primary care trusts and in the acute sector at Barnet & Chase Farm Hospitals NHS Trust. David's background is in finance and prior to joining the NHS he spent seven years at KPMG in London working in audit and consultancy where he qualified as an accountant.

(Membership of Committees – CF, FIP, COSQ, HRD, WFC, DC)

Mrs Cathy Jones
Deputy Chief Executive

Cathy took up post as Deputy CEO in May 2017. She has worked at the Luton and Dunstable Hospital since 2005 and has been General Manager in medicine and surgery before becoming Director of Service Development. She took up an external secondment with the Sustainability and Transformation Plan team for 6 months and returned to the L&D in April 2017.

(Membership of Committees – CF, FIP, COSQ, WFC, DC)

Mr Matthew Gibbons
Acting Director of Finance from January 2019 permanent from October 2019

Matthew was appointed Acting Director of Finance in January 2019 and substantive in October 2019. Matthew joined the L&D in 2002 from the NHS Graduate Training scheme and was Deputy Director of Finance from 2008. In a long career with the hospital Matthew has played key roles in the successful Foundation Trust application in 2006, the introduction of Service Line Reporting and the development of a Finance team that has a strong track record of Financial governance & support for the Divisions

(Membership of Committees – CF, FIP, HRD, WFC)

Dr Danielle Freedman
*Chief Medical Advisor**

Danielle is a Consultant Chemical Pathologist and Associate Physician in Clinical Endocrinology and Director of Pathology. In addition, she was the hospital Medical Director from October 2005 until December 2010, Associate Medical Director from 2010-2015 and the Chief Medical Advisor to the Trust Board sine 2015.

She trained in medicine at the Royal Free Hospital School of Medicine, London University and then went on for further training in Clinical Biochemistry and Endocrinology both at the Royal Free Hospital and the Middlesex Hospital, London University.

Nationally, in the UK, she was an elected Vice President of Royal College of Pathologists (2008 – 2011) and sat on RCPath Executive and Council (2005 – 11). She was

Chair of the RCPath Speciality Advisory Committee for Clinical Biochemistry (2005 – 11). She is a Member of the UK NEQAS Clinical Chemistry Advisory Group for Interpretative Comments (2010 -) and also Member of ACB Council (2011-2015). She is now the Chair of Lab Tests Online Board UK (2012).

Her main interests include clinical endocrinology, point of care testing and, importantly, the role of the laboratory/ clinician interface with regard to patient safety and patient outcome. She has over 100 publications in peer review journals including The Lancet, New England Journal of Medicine, JAMA and Annals of Clinical Biochemistry in her areas of interest.

She is a frequently invited speaker both nationally and internationally on the above topics. She won the 'Outstanding Speaker' award in 2009 from the American Association of Clinical Chemistry (AACC) and was a Member of the AACC Annual Meeting Organising Committee (AMOC) for 2011 (Atlanta) and also Member of AMOC for 2014 (Chicago). She was also on the Scientific Committee for EUROLAB FOCUS 2014 (Liverpool).

* Medical Directors David Kirby, James Ramsay and Robin White

(Membership of Committees – CF, COSQ, HRD, WFC, DC)

Ms Angela Doak
Director of Human Resources

In November 2010 Angela took up the post of Director of Organisational Development in an acting capacity, after initially joining the Trust in July 2010 as Associate Director of Human Resources. She became Director of Human Resources in July 2011.

Angela has over 20 years' experience in Human Resources and Organisational Development in acute NHS Trusts. Just prior to joining the Trust Angela held the post of Director of HR in Heatherwood and Wexham Park NHS Foundation Trust. She has a strong track record in providing high quality HR services and her particular areas of interest and expertise include dealing with major organisational change, complex employee relations cases and also employment matters concerning medical staff.

(Membership of Committees – COSQ, CF, FIP, HRD, WFC)

Mrs Liz Lees
Chief Nurse

Liz was appointed as Chief Nurse in March 2018. As part of merger preparations, Liz was seconded to Bedford Hospital as a shared Board member. Her insights of the challenges of bringing together clinical teams, taking the best of both and achieving the right balance, means that Liz is well placed to help shape the future here at a larger, single Trust.

Liz trained as a nurse at Guy St. Thomas Hospital in London and has been covering nursing and operational roles. She brings to the Trust her vast experience in both operational and clinical roles in the NHS. Liz was awarded an MBE for services to nursing in 2016.
(Membership of Committees – COSQ, CF, HRD, FIP, DC, WFC)

Ms Catherine Thorne
Director of Quality and Safety Governance – from October 2018

Catherine was appointed as Director of Quality and Safety Governance in October 2018 having previously held the role of Director of Corporate Development, Governance and Assurance at Northampton General Hospital NHS Trust from 2014 and prior to that as Director of Governance at London North West Healthcare NHS Hospital Trust from 2008.

Catherine started her career clinically within radiotherapy and oncology services, transitioning into a variety of senior NHS roles in quality assurance, service improvement and governance.

She has a strong commitment to the use of continual quality improvement in ensuring the provision of safe clinical services, delivery of excellent outcomes and fostering an atmosphere that provides a good experience for our patients and their families set within a learning environment for staff.

(Membership of Committees – CF, COSQ)

Non-Executive Directors

Mr Simon Linnett
Chairman

Simon Linnett is a Vice Chairman at Rothschild in London. He has devoted a large part of his professional life to working within the public/private interface both nationally and internationally and is responsible for the bank's relationship with the UK government. He has had a long association with health, including the health reform process and the health debate generally and has engaged with various government bodies and other health institutions on this subject. Simon has previously headed Rothschild's global transport group

and remains closely involved with its initiatives. He has a strong personal interest in the "green" debate, seeking to influence discussion on auctioning emissions and has chaired Rothschild's Environment Committee. Simon graduated from Oxford in Mathematics in 1975 and joined N. M. Rothschild & Sons Ltd where he has been ever since. Simon's external roles include: a Patron of the Independent Transport Commission; and Trustee of Exbury Garden Trust (a Rothschild family garden), Trustee of NESTA and chairs its finance and committees.

(Membership of Committees – CF, RNC, FIP, HRD)

Ms Alison Clarke
Non Executive Director, Vice Chair and Senior Independent Director to July 2019

Prior to being appointed as Non-Executive Director in 2002 Alison held Chief Officer and Assistant Director posts in several London local authorities. Her special areas of interest and expertise are performance management, quality management and human resources. She was awarded an MBA in 2000. In view of her experience in July 2015 the L&D Board appointed Alison as L&D's Senior Independent Director and Vice Chair.

(Membership of Committees – COSQ, CF, RNC, AC)

Dr Vimal Tiwari
Non Executive Director to September 2019

Dr Vimal Tiwari was educated at Aberdeen University Medical School and St Mary's Hospital London, and also has a Master's Degree in Medical Education from the University of Bedfordshire. She has worked as a GP in Hertfordshire for over 30 years and as a Named Safeguarding GP for 8 years, with parallel careers over the years in Mental Health, Community Paediatrics, Medical Education and more recently Clinical Commissioning. She maintains a strong interest in Child Health, while being committed to securing the best quality compassionate, modern and comprehensive health care for all ages.

She was elected to Fellowship of the Royal College of General Practitioners in May 2016 for services to the College as Clinical Lead in Child Health and Child Safeguarding and contributions to educational resources including editing the 2014 edition of the RCGP/NSPCC Safeguarding Children Toolkit

(Membership of Committees – AC, CF, RNC, COSQ)

Mr Mark Versallion
Non Executive Director

Mark was appointed to the board in 2013 having served on the board of NW London NHS Hospitals Trust from 2008-13. As well as experience in the public sector he brings many years' experience from the commercial sector, with companies such as BAE Systems plc, Capgemini plc, and ten years as Managing Director of the London marketing agency VML. He worked for a U.S. Senator and a U.K. Government Minister in the 1990s and has held a number of national and local political posts and non-executive directorships.

He was a Royal Navy officer for fourteen years in the reserves and was a Councillor in London for nine years. Mark lives in Heath and Reach and has been a Bedfordshire Councillor since 2011, holding senior positions and specialising in children's social services and education.

(Membership of Committees – AC, FIP, CF, RNC)

Mr Simon Barton
Non-Executive Director - From September 2018
Vice Chair from September 2019

Simon is a highly experienced Chief Financial Officer. He is an accountant and has 10 years' experience in investment banking. He has a Broad range of experience in financial planning and analysis, a very strong history of developing and negotiating creative financial outcomes, fund-raising and completing strategic transactions and an established record of adding value with innovative solutions.

Simon qualified as a Chartered Accountant with Price Waterhouse in their London office. He then spent five years with S. G. Warburg. It is now part of UBS but at the time was one of the best known London merchant banks. Simon moved to KPMG's Corporate Finance arm for a further five years. Since then he worked for various businesses both private and quoted, mostly small, including New Logic Marketing Limited, Screen Technology plc, Nextgen plc, Global Dawn Limited, Eden State Limited and DIA Limited.Simon also worked for himself for some of the time as a consultant and also for Alinsky Partners, a small private consultancy and he now works for VSA Capital Limited an investment bank.

(Membership of Committees – AC, FIP, RNC, COSQ, DC)

Mr Mark Prior
Non-Executive Director – From October 2018

Mark is a chartered project manager and surveyor with over 35 years' experience in the construction and development sectors. He was Managing Director for E C Harris in the Middle East and grew a single location single service office of 30 staff, into a business, operating from Abu Dhabi, Dubai, Qatar and KSA, delivering outcome based project services, with over 700 staff.

He was Group Head of Transportation for EC Harris, building a sustainable and diversified portfolio of international business and focusing growth in project and construction services.

(Membership of Committees – AC,FIP, HRD)

Mr Denis Mellon
Non-Executive Director to May 2019

Denis is a Fellow of Chartered Certified Accountants since 1972 and after qualifying as an accountant with Arthur Young and Co in Glasgow he spent two years with Price Waterhouse in Kingston, Jamaica. Denis gained an MBA at Cranfield Business School in 1986 and since then has worked in a number of senior management roles within a variety of private sector companies. He focussed on business strategy, relationship management, managing large logistics and customer service operations and as Managing Director of a group of fire equipment companies. In additional to the L&D. Denis was previously a Non-Executive Director then a senior General Manager to March 2017. He took up post as a Non-Executive Director again in October 2017.

(Membership of Committees – AC, CF, FIP, RNC)

Dr Annet Gamell
Non-Executive Director

Annet qualified at Charing Cross Hospital Medical School in 1980. After further training and a spell in The Sudan with Save The Children during the Ethiopian famine, she worked clinically as a GP in Buckinghamshire from 1985 to 2019.

Appointments include CEO/Chief Clinical officer of NHS Chiltern CCG until 2016; Chair of Thames Valley Urgent and Emergency Care Network until 2017.
Annet was awarded Fellowship of The Royal College of General Practitioners in November 2017 for services to Clinical Leadership.

Current roles include Board Member and Chair of Primary Care Commissioning Committee NHS Ealing CCG; Chair of Quality and Performance Committee North West London CCGs and Council Member for Bucks New University.

(Membership of Committees – COSQ, AC, WFC)

Mr Ian Mackie
Non-Executive Director

Ian is a 'big 3' trained Chartered Accountant with over 20 years' experience as a Finance Director and CFO in a variety of FTSE100 and 250 businesses across the UK and Continental Europe in the logistics, food, energy and wholesale service sectors.

He has significant international experience in delivering acquisitions and business turnarounds with emphasis on capital management and cost efficiency. He currently serves as Finance Director and COO for a fast growth, privately held asset rental business.

Ian has also served as a Non-Executive Director at Milton Keynes Foundation Trust and as a member of the Finance and Investment Committees and as a Pension Fund Trustee, at Exeter University.

(Membership of Committees – FIP, CF, RNC)

Mrs Gill Lungley
Non-Executive Director

Following her BA (Hons) and MPhil degrees in business studies Gill joined JP Morgan and moved into I.T, working in London New York and Frankfurt. She quickly gained promotions and her success meant that she was approached to join Credit Suisse to be the Global Head of Operations IT for the Credit Suisse Financial Products.

Her first CIO post was at the Gerard Group, where she was Group CIO and a Board Director. She then moved to UBS where she stayed for 12 years in a number of senior roles including CIO – Fixed Income Business, CTO – UBS Investment Bank, EMEA Head of Operations, COO Moscow Branch and COO and Programme Director – UBS Stabilisation Fund. During this time at UBS Gill lived in London, Moscow, Zurich and New York.

Gill joined Deutsche Bank initially as Group CIO – Prime Brokerage Division, then became COO for Global Technology and Operations and finally Group Head of Regulatory compliance and regulatory change for Technology and Operations.

Gill was then approached by Credit Suisse again and she joined them as the Global Head IT and Change Management for Group Operations Trade Validation and Asset Protection, she was also the Group Head of IT for EMEA. Her final role at Credit Suisse was Global Head of Operations and IT 3rd Party Management.

In November 2018, having already begun to develop interest as a NED (on CLS Group Holdings 2016-2018 and on the Home Office's Audit Committee 2004-2007), Gill retired from full time executive positions to develop a portfolio of interests.

(Membership of Committees – COSQ, RNC, AC, DC, WFC)

Mr Richard Mintern
Non-Executive Director

Richard Mintern is a locally born internationally experienced business executive. He is currently Chairman of ELMS Aviation, a leading software services provider to the aviation sector that provides best in class capability for managing aviation staff compliance and competence. He is also a Visiting Professor at the University of Hertfordshire and a Governor of Redborne Upper School and Community College in Ampthill.

Prior to that he was CEO for Northern Europe & Asia Pacific of the Avincis Group where they grew and transformed a private equity owned business into a safe, efficient and profitable operation, where he played a leading role in the sale of the business to Babcock. The Group provided a wide spectrum of mission critical services (Search and Rescue, Air Ambulance, Law Enforcement, Fire Fighting, and Offshore Oil and Gas workforce transportation) operating circa 320 helicopters and 50 fixed-wing aircraft from 284 bases in 10 countries, employing approximately 3,000 people. During this time Richard was also a Director of Oil and Gas UK, providing aviation leadership experience to the Oil and Gas UK board.

Previously Richard held numerous senior management posts for the Monarch Travel Group, including Group CIO, Technical Director, Managing Director of the Engineering division and finally Group Chief Operating Officer, where he held responsibility for the safe and efficient operations of The Monarch Group until 2012.

(Membership of Committees – COSQ, WFC, AC, DC)

Key to committees:
COSQ – Clinical Outcomes, Safety and Quality Committee
CF – Charitable Funds Committee
RNC – Remuneration & Nomination Committee
AC – Audit and Risk Committee
FIP – Finance, Investment and Performance Committee
HRD – Hospital Re-Development Programme Board
DC – Digital Committee
WFC – Workforce Committee

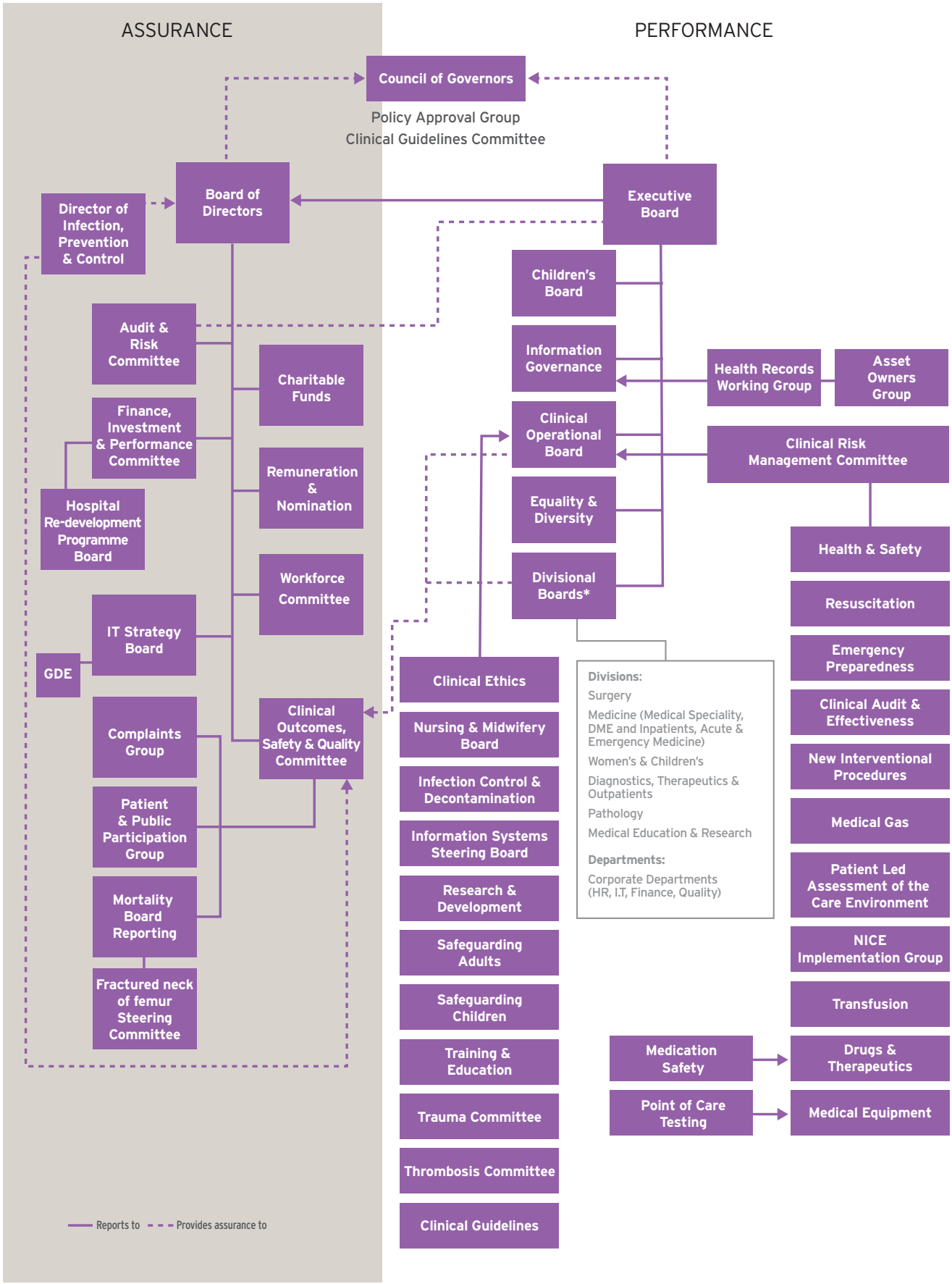
Record of committee membership and attendance

Total Meetings	Public Board Meetings	Private Board Meetings	Audit & Risk	Remuneration and Nomination	Charitable Funds	COSQ	HRD	FIP	Workforce	Digital From September
David Carter	3/4	10/11			0/5	11/11	12/12	10/10	2/2	3/3
Simon Linnett	4/4	11/11		1/1	5/5		12/12	10/10		
Cathy Jones	3/4	10/11			1 by invite	9/11	3 by invite	10/10	2/2	3/3
Matthew Gibbons	4/4	11/11			5/5		12/12	10/10	2/2	
Liz Lees	3/4	9/11			2 by invite	9/11	4 by invite	8/10	1/2	1/3
Angela Doak	4/4*	11/11*			3/5	10/11		8/10	2/2	
Catherine Thorne	4/4	10/11			4/5	9/11				
Medical Directors	4/4	4/11				9/11		By invite	By invite	By invite
Alison Clarke to July 2019	1/2	3/4	1/1		1/1	4/4				
Vimal Tiwari to September 2019	2/2	5/5	1/1		2/2	6/6				
Mark Versallion	4/4	10/11	4/4	1/1	4/5			7/10		
Simon Barton	3/4	9/11	4/4			7/11		9/10		3/3
Mark Prior	4/4	10/11	0/4				12/12	9/10		
Denis Mellon to May 2019	1/1	2/2	0/1				2/2	2/2		
Annet Gamell from June 2019	3/3	5/9	1/3			6/9			1/2	
Richard Mintern from June 2019	2/3	8/9	1/3			7/9			2/2	1/3
Ian Mackie from June 2019	3/3	7/9		1/1	3/4		9/9	9/10		
Gill Lungley from June 2019	3/3	9/9	3/3	1/1		9/9			2/2	3/3

* Deputy
** Directors asked to attend by invitation should there be an agenda item that needs their attention. They remain a member of the committee should there need to be any formal approvals.

Committees of the Board of Directors

Luton and Dunstable Hospital Governance and Committee Structure



* Divisional Board meeting include standard agenda items of Risk Management, Risk Registers, Incidents, Complaints and claims and information related to each of the relevant sub-committees of the Clinical Operational Board

Audit and Risk Committee

The function of the Audit and Risk Committee has been to ensure an adequate and effective operation of the Trust's internal control system. The committee focuses on the establishment and maintenance of controls designed to give reasonable assurance that assets are safeguarded, waste and inefficiency avoided, reliable information produced and that value for money is continuously sought.

Key responsibilities delegated by the Board to the Audit and Risk Committee are to:

- Ensure the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives.
- Monitor and review compliance with Standing Orders, Standing Financial Instructions and Scheme of Delegation.
- Review the annual financial statements and Annual Report for compliance with accounting standards and legal requirements before submission to the Board of Directors.
- Review the annual Counter Fraud programme and ensure the Trust is adequately resourced to meet the requirements of NHS Counter Fraud Authority;
- Ensure cost-effective external audit.
- Appoint, monitor and review Internal Audit service.
- Report to the Council of Governors on any matters that require immediate action and make recommendations on steps to be taken.
- Obtain assurance from the other committees, COSQ, FIP, RNC, HRD and Executive.

Membership of the Audit and Risk Committee:

The Audit and Risk Committee membership has been drawn from the Non-Executive Directors and was chaired by Simon Barton.

Audit and Risk Committee Report

The Audit and Risk Committee reviewed financial and operating performance and compliance against national and regulatory standards. A comprehensive work plan is agreed each year which ensures oversight and monitoring of risks, mitigations and issues relating to the financial statements, internal controls and compliance with regulatory, statutory responsibilities and internal policies and procedures. This in turn enables action to be escalated as appropriate, i.e. officer attendance to explain critical risk or failure to implement internal audit recommendations and escalation to the Board where appropriate. An annual report of the Committee's activities and how the Committee has fulfilled its role is reported by the Chair of the Audit & Risk Committee to the Board and the Council of Governors. The Committee has had close oversight throughout the year of the Board Assurance Framework and principal risks on efficiency planning and sustainability. In depth reviews of Business Continuity, Procurement and Contract Management, Global Digital Exemplar (GDE) Project, Data Security and Protection (DSP) Toolkit, Financial Control of Medical Bank and Outpatient Booking Backlog Validation were undertaken. Follow up work was also completed on Urgent GP Centre review. In relation to CQC compliance with care standards, the Trust received a rating of Good from the CQC inspection in December 2018 and the Committee reviews regular reports from the Clinical Outcome Safety and Quality Committee and ongoing Quality Improvement initiatives.

Internal Audit

The Audit and Risk Committee has been assured by the Head of Internal Audit Opinion on the Trust's internal control environment and positive approach to identifying, assessing and mitigation planning to risks.

External Audit

The Audit and Risk Committee engages regularly with the external auditor throughout the financial year, including holding private sessions with Non-Executive Directors on the Audit and Risk Committee.

The Audit and Risk Committee considers the external audit plan, technical updates, any matters arising from the audit of the financial statements and the Quality Account and any recommendations raised by the external auditor.

The External Audit programme is scheduled to focus on key areas of risk and for 2019/20 the areas of audit risk were:

- The valuation of land and building
- Revenue recognition
- Management override of control
- Fraudulent expenditure recognition

The ISA260 report presented on 10th June 2020 identified that there were no material concerns or control weakness identified during the year.

The appointment of the auditor was made in 2012 as a result of a competitive process under a procurement compliant framework. The appointment was extended in 2014, 2016, 2017 and 2018 on the same terms. Each appointment is subject to Council of Governors agreement. Reports from External Audit are received and reviewed at each Audit and Risk Committee to assess the effectiveness of the external audit programme. External Audit confirmed they were able to complete the required testing against the controls in the fee agreed with the Trust.

The organisation's going concern status has been specifically discussed with the External Auditors in relation to the financially challenging environment the Trust faces. Assurance on the accounts review of the "going concern" opinion is based on risk to service continuity and that the Trust is able to confirm service continuity and therefore going concern status over the medium term.

Clinical Outcome, Safety and Quality Committee

The Clinical Outcome, Safety and Quality Committee provides assurance to the Board of Directors that the Trust is compliant with legislation and guidance on clinical, patient safety and quality issues.

The Clinical Outcome, Safety and Quality Committee monitors the implementation of strategic priorities and the organisation's performance in relation to clinical outcome and research and development. It ensures compliance with regulatory requirements and best practice within the patient safety and quality improvement agenda.

Membership of the Clinical Outcome, Safety and Quality Committee:

The Clinical Outcome, Safety and Quality Committee membership includes Board members, and is chaired by Alison Clarke (NED and SID) to July 2019 and then by Annet Gamell.

Finance, Investment and Performance Committee

The purpose of the Finance, Investment and Performance Committee has been to lead the strategic direction of the Trust's finance work, approving capital bids and plans and monitoring performance.

Membership of the Finance, Investment and Performance Committee:

The Finance Investment and Performance Committee membership includes Board members, senior managers and clinicians and was chaired by Mr Denis Mellon (NED) until May 2019 and then by Ian Mackie.

Hospital Re-Development Programme Board

The purpose of the Hospital Re-Development Programme Board has been to lead the progression of the Outline Business Case following approval of the Strategic Business Case at the Board of Directors on the 1 October 2014 progressing to the full business case and enabling works.

The progress towards a full business case is currently on hold pending proposals being developed regarding service delivery across BLMK STP meanwhile the board oversees development of enabling works not dependent on the likely proposals.

Membership of the Hospital Re-Development Programme Board:

The Hospital Re-Development Programme Board membership included Board members, senior managers and clinicians and was chaired by Mr Mark Prior (NED).

Remuneration and Nominations Committee

This Committee reports to the Board of Directors and acts as defined in the Standing Financial Instructions, Standing Orders and Code of Governance documents.

The Committee has delegated responsibility from the Trust Board for the appropriate remuneration for the Chief Executive, other Executive Directors employed by the Trust and other senior employees on locally agreed pay arrangements, including:

- All aspects of salary.
- Provisions for other benefits, including pensions and cars.
- Arrangements for termination of employment and other contractual terms;
- Review the composition of the Board of Directors and make recommendations as to the appropriate make-up of the Board.

- Make recommendations to the Nomination Committee of the Council of Governors in respect of Non-Executive Director positions.

Membership of the Remuneration and Nominations Committee:
The Remunerations and Nominations Committee has been drawn from the Board members and was chaired by Mark Versallion (NED) until March 2020.

Charitable Funds Committee

The L&D is a Corporate Trustee. The Charitable Funds Committee, on behalf of the Corporate Trustee, agrees proper use of charitable funds and approves fundraising schemes.

Key responsibilities are to:

- Keep proper accounting records and prepare accounts in accordance with applicable law.
- Safeguard the assets of the charity.
- Take reasonable steps for the prevention and detection of any fraud and other irregularities.
- Determine operating procedures for the administration of charitable funds.
- Appoint investment advisors.
- Appoint independent auditors.

Membership of the Charitable Funds Committee:
The Charitable Funds Committee membership has been drawn from Board members and is chaired by Simon Linnett.

Workforce Committee

This Committee reports to the Board of Directors and acts as defined in the Standing Financial Instructions, Standing Orders and Code of Governance documents.

The purpose of the Finance, Investment and Performance Committee has been to lead the strategic direction of the Trust's finance work, approving capital bids and plans and monitoring performance.

The purpose of the Workforce Committee has been to lead the strategic direction of the Trust's workforce work, monitoring the delivery of the workforce strategy, reviewing workforce performance indicators and monitoring performance.

Membership of the Workforce Committee:
The Workforce Committee membership has been drawn from Board members and is chaired by Richard Mintern.

Digital Strategy Committee

This Committee reports to the Board of Directors and acts as defined in the Standing Financial Instructions, Standing Orders and Code of Governance documents.

The purpose of the Digital Committee has been to lead the strategic direction of the Trust's information, management and technology work, developing the digital strategy, and plans and monitoring performance

Membership of the Digital Committee:
The Digital Strategy Committee membership has been drawn from Board members and is chaired by Gill Lungley.

Council of Governors

The constitution defines how we will operate from a governance perspective and it is approved by the Board and the Council of Governors. The basic governance structure of all NHS Foundation Trusts includes:

- The Membership;
- The Council of Governors; and
- The Board of Directors

In addition to this basic structure, Board and Council of Governor committees and working groups, comprising both Governors and Directors, are used as a practical way of dealing with specific issues.

The specific statutory powers and duties of the Council of Governors are:

- Appoint and, if appropriate, remove the Chair.
- Appoint and, if appropriate, remove the other Non-Executive Directors.
- Decide the remuneration and allowances and the other terms and conditions of office of the Chair and the other Non-Executive Directors.
- Approve the appointment of the Chief Executive.
- Appoint and, if appropriate, remove the NHS Foundation Trust's auditor.
- Receive the NHS Foundation Trust's annual accounts, any report of the auditor on them and the annual report.
- Hold the Non-Executive Directors to account for the performance of the Board
- Approve significant transactions as defined in the Trust's Constitution.

In addition:

- In preparing the NHS Foundation Trust's forward plan, the Board of Directors must have regard to the views of the Council of Governors.

The Monitor Code of Governance determines that every NHS Foundation Trust will have a Board of Governors which is responsible for representing the interests of NHS Foundation Trust members and partner organisations in the local health economy in the governance of the NHS Foundation Trust. Governors must act in the best interests of the NHS Foundation Trust and should adhere to its values and code of conduct. The Board of Governors should hold the Non-Executive Directors to account for the performance of the Trust, including ensuring the Board of Directors acts so that the Foundation Trust does not breach the terms of its authorisation. Governors are responsible for regularly feeding back information about the NHS Foundation Trust, its vision and its performance to the constituencies and stakeholder organisations that either elected them or appointed them. The Code of Governance states that one of the independent Non-Executive Directors should be appointed by the Board of directors as the "Senior Independent Director", or SID, in consultation with the Board of Governors. The SID should act as a point of contact if governors have concerns which contact through normal channels has failed to resolve or for which such contact is inappropriate. Mrs Alison Clarke acts as the SID.

The constitution provides that the Board of Directors appoints a vice chairman from one of our Non-Executive Directors. The vice chairman should deputise for the chair as and when appropriate. Mrs Alison Clarke acted as the Vice Chair to July 2019 followed by Simon Barton.

It remains the responsibility of the Board of Directors to design and then implement agreed priorities, objectives and the overall strategy of the NHS Foundation Trust.

The Council of Governors was chaired by Mr Simon Linnett. Council of Governor meetings are held at least three times in each financial year and are open to the public and representatives of the press. Since February 2016, the Council of Governors met formally quarterly and in seminars in the intervening months. This provided opportunity for the Governors to hold meetings with just the Non-Executive Directors to question performance and hold them to account.

In October 2019 the Council of Governors re-elected Mr Roger Turner as Deputy Chair/Lead Governor of the Council of Governors for a term of two years. The Deputy Chairman or Lead Governor of the Council of Governors presides as chair of any meeting of the Council of Governors where the Chairman presiding at that meeting in terms of a conflict of interest (section 12.29 of the Constitution). The Lead Governor is also the nominated person that NHS Improvement would contact in the event that it is not possible to go through the Chair or the Trust's Secretary. The Governors elect two Deputy Lead Governors, Helen Lucas and Judi Kingham to support the lead governor.

The Council of Governors met six times during 2018/19 and the attendance is recorded.

Our Governors

The L&D became a Foundation Trust with a Council of Governors in 2006. Each Governor is able to stay for a maximum of three terms of office.

The following changes occurred in 2019

Resignations
Cathy O'Mahony (Staff Governor – Professional & Technical)

Completed Terms
Henri Laverdure (Public Governor – Luton Constituency) – 3 years contribution
Mohamad Yasin (Public Governor – Luton Constituency) – 3 years contribution
Sue Steffens (Public Governor – Bedfordshire Constituency) – 3 years contribution
Marva Desir (Staff Governor – Nursing and Midwifery) – 3 years contribution

Completed their Governor terms in 2019 (Three consecutive terms / 7-9 years ineligible for re-election)
Mr Anthony Scroxton (Public Governor – Luton Constituency)
Mrs Ros Bailey (Staff Governor – Admin, Clerical & Management)

The Trust and the Council of Governors join in thanking them for all their hard work over the years. Their support by representing the views of the local people and staff, and helping the hospital to shape its plan for the future has been invaluable.

Register of Interests of the Council of Governors' Members

A declaration of interest register is available for viewing in the Trust Offices.

Elections

Our annual elections to the Council of Governors were held during May – August 2019. UK Engage were our independent scrutiniser to oversee the elections, which were held in accordance with the election rules as stated in our constitution.

The following constituency seats were filled by election
- Public: Luton
- Public: Bedfordshire
- Staff: Nursing and Midwifery
- Staff: Admin, Clerical & Management
- Staff: Professional & Management

Analysis of Annual Election Turnout:

Date of election	Constituencies involved	Number of members in Constituency	Number of seats contested	Number of Candidates	Election turnout %
August 2019	Public: Luton	6894	6	19	13.82%
August 2019	Public: Bedfordshire	3217	1	8	17.87%
August 2019	Staff: Nursing and Midwifery	2326	1	4	18.66%
August 2019	Staff: Admin, Clerical & Management	1073	2	4	28.33%
August 2019	Staff: Professional & Technical	723	1	6	26.14%

The Trust annual elections to the Council of Governors are held during May – July and the elected candidates initiate their terms from September. The average turnout is around 20%. For each election the Trust requests a voter profiling report to identify whether there are any issues with diversity. During 2019/20, the Trust continued to offer five languages to the letter and envelope and members could request translated packs. However, there were no requests for these packs and voter turnout in the minority groups in Luton remained low.

GOVERNORS IN POST – April 2019 to March 2020

Constituency	Name	Selection process	Changes in year	Term of office	Attendance of COG
Appointed Governors					
Luton CCG	Nicky Poulain	Appointed from February 2018		3 years	4/4
Bedfordshire CCG	Vacant				
Hertfordshire CCG	Vacant				
Central Bedfordshire Council	Cllr Brian Spurr			3 years	3/4
Luton Borough Council	Cllr Waheed Akbar	Appointed May 2018	Resigned September 2019	3 years	0/4
	Cllr Abbas Hussain	Appointed February 2020		3 years	0/0
University College London	Vacant				
University of Bedfordshire	Bill Rammell		Resigned December 2019	3 years	0/3
Public Governors					
Hertfordshire	Mr Donald Atkinson	Elected to 2021		3 years	3/4
	Ms Helen Lucas	Elected to 2021		3 years	3/4
	Mr Malcolm Rainbow	Elected to 2020		3 years	4/4
Bedfordshire	Miss Dorothy Ferguson	Elected to 2021		3 years	4/4
	Ms Jennifer Gallucci	Elected to 2021		3 years	4/4
	Ms Linda Grant	Elected to 2020		3 years	4/4
	Mrs Sue Steffens	Elected to 2019	End of 1st term	3 years	2/4
	Mr Mathew Towner	Elected to 2021		3 years	2/4
	Dr Johann Schoeman	Elected to2022			1/1
	Mr Jim Thakoordin	Elected to 2020		3 years	0/4
	Mr Roger Turner	Elected to 2020		3 years	3/4
Luton	Mr David Allen	Elected to 2021		3 years	2/4
	Mr Keith Barter	Elected to 2020		3 years	4/4
	Mrs Pam Brown	Elected to 2022	Start of 2nd term	3 years	3/4
	Ms Marie-France Capon	Elected to 2022	Start of 1st term	3 years	2/2
	Mrs Susan Doherty	Elected to Sept 2020		3 years	2/4
	Mr Sean Driscoll	Elected to 2022	Start of 2nd term	3 years	1/4
	Mrs Theresa Driscoll	Elected to 2021		3 years	1/4
	Mr Brian Herbert	Elected to 2022	Start of 1st term	3 years	1/2
	Mrs Judi Kingham	Elected to Sept 2020		3 years	3/4
	Mr Henri Laverdure	Elected to Sept 2019	End of 1st term	3 years	1/2
	Mr Malcolm Lea	Elected to 2022	Start of 1st term	3 years	2/2
	Mr Anthony Scroxton	Elected to 2019	End of 3rd term	3 years	2/2
	Mr Derek Brian Smith	Elected to 2021		3 years	4/4
	Mr Jack Wright	Elected to 2022	Start of 2nd term	3 years	4/4
	Mr Mohammed Yasin	Elected to 2019	End of 1st term	3 years	3/3

Constituency	Name	Selection process	Changes in year	Term of office	Attendance of COG
Staff					
Admin, Clerical and Management	Miss Annah Saleem	Elected to 2021	Resigned September 2019	3 years	0/0
	Ms Jacqueline McLachlan	Elected to 2022	Start of 1st term	3 years	0/2
	Mr Malik Farook	Elected to 2022	Start of 1st term	3 years	2/2
	Mrs Ros Bailey	Elected to 2019	End of 3rd term	3 years	1/2
Nursing and Midwifery (including Health Care Assistants)	Mrs Belinda Chik	Elected to 2021		3 years	4/4
	Mrs Ann Williams	Elected to 2021		3 years	4/4
	Mr Matthew Borg	Elected to 2022	Start of 1st term	3 years	2/2
	Mrs Marva Desir	Elected to 2019	End of 2nd term	3 years	0/2
Volunteers	Mrs Janet Graham	Elected to 2021		3 years	3/4
Medical and Dental	Dr Ritwik Banerjee	Elected to 2020		3 years	1/4
Ancillary and Maintenance	Vacant				
Professional and Technical	Ms Cathy O'Mahony	Elected to 2021	Resigned May 2019	3 years	0/2
	Mr Sunny Patel	Elected to 2022		3 years	1/2

Anyone wishing to contact Governors can write to the Governors' email address governors@ldh.nhs.uk or to the Board Secretary. The Members' Newsletter can be found on the L&D's website.

Council of Governors Sub Committees

There are three sub-committees of the Council of Governors

Remuneration and Nomination Committee
The Remuneration and Nomination Committee assists the Council of Governors in carrying out the following of its functions:

- To appoint and if appropriate, remove the Chair.
- To appoint and, if appropriate, remove the other Non-Executive directors.
- To appoint and, if appropriate, remove the Vice-Chairman of the Board of Directors.
- To decide the remuneration and allowances and the other terms and conditions of office, of the Chair and the other Non-Executive Directors.
- To approve the appointment of the Chief Executive.
- To agree the outcome of the annual appraisals of the Non-Executive Directors by the Chair.
- To agree the outcome of the annual appraisal of the Chair by the Senior Independent Director.

During 2019/20 the committee met twice and has completed the following activities:

- Approved the remuneration and allowances for the Non-Executive Directors.
- Completed the process to be able to recommend to the Council of Governors Non-Executive Directors.
- The committee is chaired by Dorothy Ferguson.

Membership and Communication Committee
The Membership and Communications Committee assists the Council of Governors in carrying out the following of its functions:

- To implement the Trust Membership Strategy.
- To be a contact for the Trust to encourage membership.
- To represent the Council of Governors and visit locations around the Trust's constituencies to encourage membership.
- To support the publication of the Ambassador newsletter to members.
- To support the Annual Member's meeting.
- To ensure the Trust's Membership Strategy is reviewed yearly and remains fit for purpose.

During 2019/20 the committee met three times and has completed the following activities:

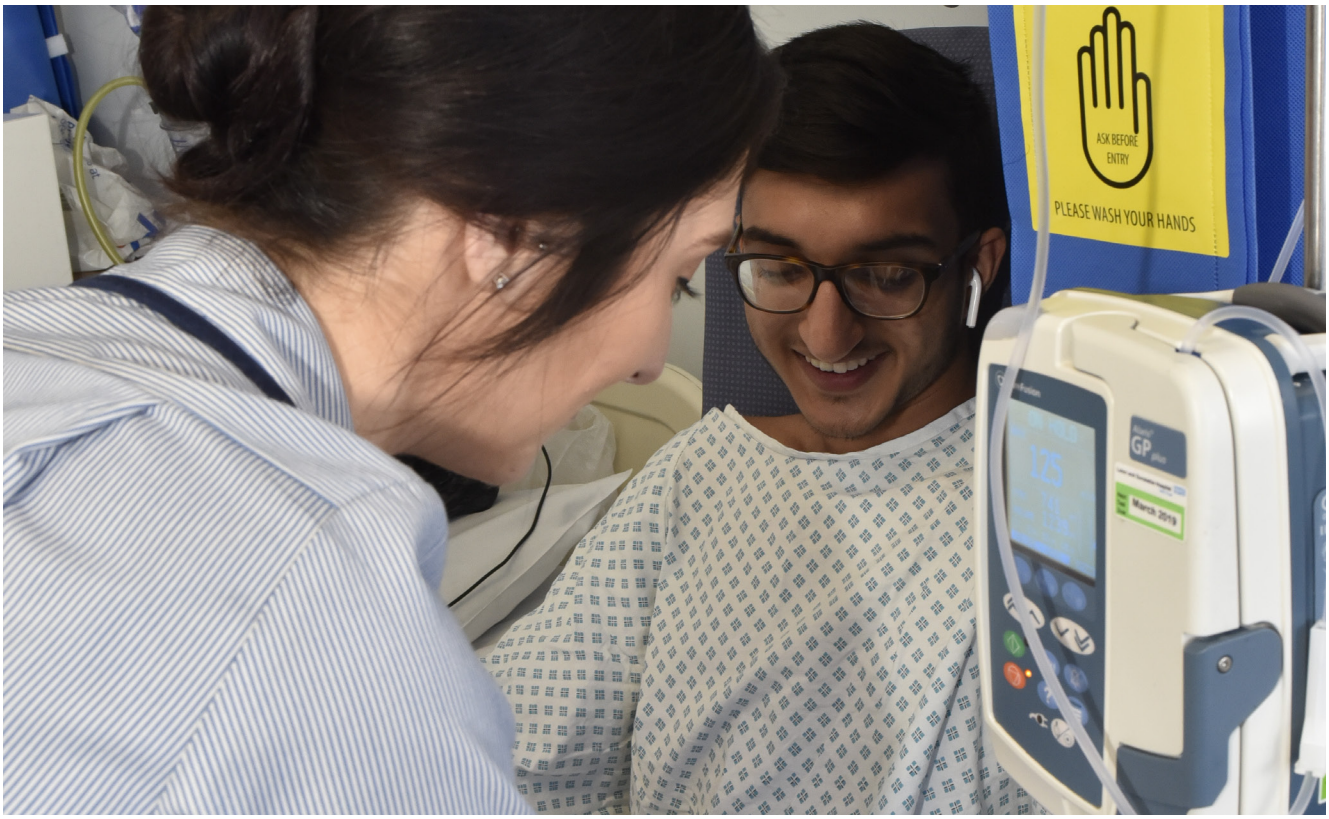
- Issued an Ambassador newsletter.
- Reviewed the Membership Strategy.
- Supported the two Medical Lectures.
- Supported the Annual Member's Meeting.
- Visited locations across the catchment to increase membership.
- The committee is chaired by Pam Brown.

Constitutional Working Group

The Constitutional Working Group assists the Council of Governors in carrying out the following of its functions:

- To ensure that the Constitution is up to date with new developments.
- To review the Constitution at least annually.
- Recommend amendments to the constitution to the Council of Governors;
- Liaise with Monitor and legal representatives when required.
- Report to the Annual Members Meeting to approve any Constitutional amendments.

During 2019/20 the committee did not need to make any amendments to the Constitution. The group is chaired by Roger Turner.



Foundation Trust Membership

The Trust's Governors and Members continue to play a vital role in our Constitution as a Foundation Trust. There are two broad categories of membership constituency, namely public and staff (including volunteers). The public constituency is further divided into three:

i) Luton
ii) Bedfordshire
iii) Hertfordshire

The Trust currently has 19,825 members (14,101 public and 5,751 staff). The FT public membership numbers increase around 3% each year and the Governors set a target of 600 new members annually. The Governors agree a Membership Strategy through the Council of Governors and follows key objectives:

1. **To increase the membership -** The strategy outlines more focussed work on recruiting members in Bedfordshire with an engagement approach to the Luton and Hertfordshire membership. During 2019/20 we have focussed on outpatient areas for support and also linked with GP patient and public participation groups.

2. **To ensure membership diversity -** A review of the diversity of the membership identified that an increase in the number of younger members was required. The Trust has made links with the Youth Parliament and Apprenticeship scheme. However increasing the numbers has been challenging.

3. **To develop the membership database -** In order to increase communication, the aim is to maintain the number of recorded e-mails at 30%. The Trust has also continued to use an email use group where appropriate to expedite communications.

4. **To provide learning and development opportunities to the membership -** Two medical lectures were held in 2019/20 (orthopaedics and rheumatology) and two more are planned for 2020/21 but may be impacted by the COVID-19 pandemic. Engagement events are also supported across the catchment area for the public and membership which provide an opportunity to learn about L&D services and speak to medical teams.

5. **To communicate with the membership and encourage them to stand in governor elections -** This has been part of the strategy for over two years following an uncontested election of the Luton constituency. The Governors are key to ensuring that when members are recruited, they are also informed about being a Governor. At each of the L&D events, there is an information stand to encourage members to stand for election and the Ambassador magazine includes communication from governors to also provide clarity on the role and how they can be involved. This year, we also offered information packs for election in the top five languages for the area.

Strategy for 2020/21

The strategy will be reviewed in July 2020 by the Membership and Communication Sub-Committee to identify the plans for 2020/21. The committee will consider the objectives to include:

- Forecast a small increase in membership due to the focus on increasing the membership of new constituencies in relation to the proposed merger.
- Further increase the membership and hold engagement events in Bedfordshire.
- Target key membership groups to discuss becoming Governors.
- Encourage members to vote for their preferred candidates in the elections.

In 2020/21, there were eight vacancies; seven Public Governors (three Luton and three Bedfordshire and three Hertfordshire) and one Staff Governor for Medical and Dental. The Trust, in conjunction with the Council of Governors and the Board of Directors, regularly reviews the Constitution and has an approved new Constitution from April 2021. In May 2020, due to the COVID-19 pandemic, all Governor elections for 20/21 have been postponed. The strategy for the year was approved by the Governors in May 2020 to postpone elections for one year whilst maintaining those that would have been up for election as non-voting Governors for one year.

Table 1: Membership size and movement:

Public constituency	2019/20 (Plan)	2019/20 (Actual)	2020/21 (Plan)
At year start (April 1)	14,028	14,028	14101
New members	600	500	600
Members leaving	200	427	200
At year end (March 31)	14,428	14101	14501
Staff constituency *			
At year start (April 1)	5345	5345	5751
New members	1610	1449	1000
Members leaving	1368	1043	750
At year end (March 31)	5587	5751	6001
Total Members	**20015**	**19852**	**20502**
Patient constituency			
Not applicable			

* The Staff Constituency in line with the Trust Constitution and includes volunteers and bank staff that are not part of the Trust headcount.

Table 2: Analysis of current membership:

Public Constituency	Number of members	Eligible membership
Age (years):		
0-16	3	-
17-21	74	87569
22+	10057	1240593
Unknown	3967	-
Ethnicity:		
White	6961	1327296
Mixed	103	40567
Asian or Asian British	1959	139935
Black or Black British	570	54924
Other	318	10922
Unknown	4190	-
Acorn Groups**:		
Affluent Achievers	2,783	487,388
Rising Prosperity	655	181,418
Comfortable	5,437	451,306
Communities		
Financially	3,483	406,700
Stretched	-	-
Unclassified	43	-
Gender analysis		
Male	5330	841062
Female	8676	865530
Unknown	95	
Patient Constituency	Not applicable	

Governor Training, Membership Recruitment and Engagement

The Trust continues to have in place a number of engagement activities to facilitate engagement between Governors, Members and the Public:

- **Medical Lectures** – the Trust holds two lectures annually on key topics identified by the Governors. Trust clinical staff present to 150 or more members at each session.

- **Engagement Events** –engagement events are held across the Trust constituencies every year to support the Governors and Trust staff to engage with the public.

- **Membership recruitment** – all Governors are involved with recruiting members. This ranges from visiting GP practices, attending events such as at the Chamber of Commerce and linking with local groups like the Women's Institute. A sub-committee of the Governors oversee this programme to ensure there is diversity of approach.

- **Annual Members Meeting (AMM)** – the Trust usually has over 150 people at the AMM in September each year and it is considered an excellent event by those that attend.

- **Ambassador Magazine** – The Trust issues a magazine twice a year and it is an opportunity for the Governors to report to the members about Trust progress, Governor involvement and how the Governors are holding the Non-Executive Directors to account.

- **Being a Governor awareness sessions** – awareness sessions for those interested in becoming a governor are held twice a year in and also on a 1:1 basis as required.

- **Governor training** – Training is accessible to all Governors through NHS Providers GovernWell programmes. We also continue to work with local hospitals across the STP to develop Governors and members.

- **Governor Induction** – The new elected and appointed governors are invited to attend an induction where they are briefed about their roles and responsibilities, their accountability, the code of conduct, the committee structures etc

Contact Details

The L&D Foundation Trust's Membership
Department can be contacted on:
01582 718333 or by email:
foundationtrustmembership@ldh.nhs.uk

or by writing to:
Membership Department
Luton & Dunstable University Hospital
NHS Foundation Trust
Lewsey Road
Luton
LU4 0DZ

The L&D Foundation Trust's Governors
can be contacted by email:
governors@ldh.nhs.uk
(please indicate which Governor you wish to contact)
or by writing to:
(Name of Governor)* c/o Board Secretary
Luton & Dunstable University Hospital
NHS Foundation Trust
Lewsey Road
Luton
LU4 0DZ

*Full list of Governors available on:
www.bedfordshirehospitals.nhs.uk


NHS
kie Coates
Sister

Financial Performance Report

Review of Financial Performance

The Trust delivered a financial surplus for the 21st successive year, with a 2019/20 surplus of £10.7m. Whilst the Trust delivered the revised Control Total (revised due to COVID 19), delivering it relied on non-recurrent items to offset the additional costs of temporary staffing that are very much part of the challenging environment in which the Trust operates. It should be noted that the £10.7m surplus includes a £7.3m performance bonus (known as Provider Sustainability Funding) which recognises the achievement of agreed performance and financial targets.

Our staff successfully handled a range of financial pressures and challenges throughout the year. This included delivering savings to accommodate efficiency targets inherent within the national tariff system, meeting the costs of pay reform from Agenda for Change, costs of additional activity above plan and costs incurred in delivering the four hour emergency care and 18 week elective care targets.

Furthermore it should be acknowledged that during the latter half of the year the hospital was put under sustained pressure driven by high emergency attendances, a gap in community bed provision and increased demand for services over the winter period. Most notably in March the Trust rose to the challenge of delivering care during the COVID 19 pandemic.

The table below illustrates our income and expenditure (I&E) performance since 2006/07.

Year	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Turnover	153.2	169.1	189.3	204.9	211.6	220.8	230.6
Surplus	2	2.9	4.3	3.1	2.6	2.5	0.9
Cash	18.8	35.4	45.4	43.7	50.9	47.6	37.5

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Turnover	244.3	259.2	271.2	308.8	334.1	354.6	384.3
Surplus	0.4	0.1	0.1	12.9	15.4	14.9	10.7
Cash	24.8	11.7	9.1	28.2	36.4	34.8	42.4

All figures £m

Cash balances continued to be monitored closely, with the FT ending the 2019/20 financial year with a balance of £42.4m. This was an increase from 2018/19 and reflects the delay in some capital investment in the Trust site. This spend will be incurred in 2020/21.

The FT has spent £28m on capital in 2019/20 to deliver modern NHS services. Notable developments include new Theatres, significant investment in the Trust's electrical infrastructure and nearly £5m on the Trust's Global Digital Excellence programme.

As part of the merger to create Bedfordshire Hospitals NHSFT, the Trust developed a five year capital plan, including the creation of a new Acute Services Block. This plan will need to remain flexible, particularly in light of the strategic work undertaken with our BLMK STP partners.

This plan will reflect the changing ways in which the FT will be working. It will acknowledge influences and expectations such as improved funding for Social Care, 7 day working and the delivery of truly integrated care as well as further integration with STP partners. It will also be responsive to the means that will be adopted in rising to the associated financial challenges, abiding by the principles of economy, efficiency and effectiveness – all with the intention of protecting the resources that are available to ensure that the Trust continues to be able to deliver the highest quality healthcare in the most appropriate environment.

Going Concern

The FT is facing, along with all other providers, a challenging financial environment. This challenge has been exacerbated in 2019/20 by COVID 19, which will continue into 2020/21. In addition to this, the FT merged with Bedford Hospital Trust and has become Bedfordshire Hospitals NHSFT from 1st April 2020, adding an additional layer of complexity.

The Directors have received written assurance that funding relating to COVID 19 will be sufficient to cover reasonable costs and this has proved to be the case for costs incurred to date. The Directors have received assurance on the merged organisation's financial standing through detailed due diligence, both internal

and external, and on the basis of this assurance and due diligence the FT has submitted a surplus plan for 2020/21 to NHSEI.

After due consideration, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual accounts.

Key Variances from the Plan in 2019/20

In 2019/20 the Trust struggled to constrain costs in the face of growing demand. Significant overperformance on emergency activity led to pressures on both the Medical and Nursing pay bills. Much of the pressure manifested itself in Agency spend, leading to the Trust breaching the NHSI Agency Ceiling. Agency spend and controls were assessed and amended in order to assure the Board that performance and costs continue to remain appropriately balanced.

The Board of Directors continued to review the position of the hospital site developments in 2019/20 in order to achieve increased value for money, operational efficiency and effectiveness.

Principal Risks and Uncertainties facing the Trust

The financial regime going forward is uncertain. In the short-term the Trust has gained significant assurance that costs will be covered, but this has involved moving away from Payment by Results. Levels of future funding depend on whether Payment by Results resumes later in the year, or is replaced by an alternative system. The Trust will need to remain agile to either eventuality.

If Payment by Results continues, our main commissioners benefit from both growth per capita and overall growth on their CCG allocations for 2020/21.

Nevertheless this position is impacted by an expectation that our two main commissioners continue to deliver efficiencies.

Notwithstanding the ultimate benefit of 'fair shares' funding, our CCGs will, it is believed, continue to seek downward pressure on providers as they seek to redress short term funding issues.

A plan designed to deliver our financial strategy has been developed. This contains more risk than has been evident in previous years and places emphasis on the abilities of the Trust's Management Team to deliver improved financial performance whilst maintaining operational targets and requires assistance from partner organisations to achieve some of the financial improvement initiatives.

The belief that appropriate clinical outcomes, patient experience and safety remain the highest priorities has continued to be maintained, as well as the recognition that this must be balanced with the requirement to achieve year-on-year efficiency savings.

Another risk for the Trust is the gap in community provision of nursing when compared to need, intermediate care and rehabilitation beds, and how this impacts on our ability to safely discharge patients from hospital to appropriate facilities. The Trust is working with STP partners to resolve these issues as soon as possible.

Commissioning aspirations for the provision of care closer to home provides us with challenges and opportunities but also uncertainty with regards to the potential tendering of services.

The Trust has a strong track record in rising to challenges, mitigating risks and delivering financial balance and will need to continue to plan effectively to deal with the risks it faces.

Remuneration report

The Remuneration Committee is a Standing Committee of the Board of Directors which is appointed in accordance with the constitution of the Trust to determine the remuneration and any other associated payments or terms of service of the Executive Directors. This also includes reimbursement of travelling and other expenses incurred by Directors. The Committee meets, as a minimum, twice yearly.

The membership of the Committee includes the Trust Chairman and all Non-Executive Directors. The Chief Executive and the Director of Human Resources are also in attendance. The Director of Human Resources, is present to provide advice and services to the Committee that materially assist them in the consideration of the matters before them, other than consideration of their own remuneration or performance.

Strategy and business planning process sets key business objectives which in turn inform individual objectives for senior managers. Performance is closely monitored and discussed through both an annual and an ongoing appraisal process.

The remuneration of individual Directors can be found in note 4.5 to the accounts.

The Remuneration and Nomination Committee approved the national pay uplift to all Executives in post as at April 2019. The pay uplift was applied with the guidance received from NHSI/E to pay a consolidated increase of 1.32% payable from 1st April 2019. Plus a one-off non-consolidated cash lump sum of 0.77% (which was commensurate with the percentage increase paid to those at the top pay point of AfC pay band 9 for 2019/20)

The Remuneration Committee does not determine the terms and conditions of office of the Chairman and Non-Executive Directors. These are decided by the Council of Governors at a separate Remuneration Committee.

David Carter
Chief Executive
Date: 17th June 2020

Fundraising and Charitable Donations

The overarching strategic direction for the charity for the next five years has been agreed by the Board of Directors, supporting the growth and potential growth in the Charity both as a service provider and grant giving entity.

At the Luton and Dunstable Hospital site there has already been a positive impact in growth (20%) and resilience for the Charity and Volunteer function since amalgamation in March 2019.

During the 2019/20 financial year the Luton and Dunstable Hospital Charitable Fund received £1,108,965 from 1366 donations from grant-giving trusts, companies, individuals, community groups and legacies. Separate to this we received an investment share donation to support nursing from a major donor for £220k. There are also pledges for £1,788,500 raised this year.

Of the £1.1m income, 61% of income was from Charitable Trusts, 19% was from individuals, 9% from events, 9% was from companies, 2% from legacy and IMO donations.

Legacy donations received totalled £39,720 from two separate legacies gifted to benefit the hospital's general fund. We also received £38,216 in In Memory donations. Legacies play a key part in shaping the Hospital for future generations.

At the start of the financial year Volunteering merged and became part of the Charity provision. Volunteering has continued to grow over the year and from April 2019, an additional 72 volunteers have started across the hospital increasing our present total numbers to 385 volunteers. During December, volunteers gave an incredible 2,140 hours of their time to support the hospital, with many continuing to come in over the festive period to support their areas. The opening of our Charity shop in December has been an exciting time and this has also increased our volunteer numbers due to existing RVS volunteers continuing in their roles to support the charity. The Charity also supported the implementation and running of a youth volunteer programme, the first cohort going through September and proving very successful. Our aim is to continue our growth and also increase the number of departments who would benefit from volunteer support.

The team has been successfully working across the community to drive involvement and support; this has been especially impactful in relationships with Hindu and Islamic groups. These groups have been heavily supporting the helipad appeal, raising over £140k this year. The Charity also ran a very successful Gala event, supported by Edward Philips, Chair of the Helipad appeal, for the hospitals 80th Birthday, raising over £90k. The helipad was also the chosen Appeal to support at the Luton Community awards, raising £20k towards the appeal. HELP have extended their support, pledging £3.5m and current applications in for review £1.5m. Other on-going supporters include: The Bedfordshire Police Crime Commissioner, CEO Luton Council, Luton Rotary North, Someries Rotary, Dominos, Luton and Harpenden Mayors. It is also the chosen appeal for various schools around the area.

The Schools post has worked exceptionally well, driving greater involvement and support for the Charity. Schools raised over £22k, engaged with 5623 Children aged 11-16 and 962 aged 6-11.

The Parents accommodation (NICU) appeal was concluded with over 84 traders contributing time and materials to the project, valued at over £100k and a grant awarded for £40k to support on-going costs. We also had great success securing the funding for a new spinal table, that will support all spinal procedures to be carried out at the hospital and a magseed procedure supporting surgical extraction of breast tumours. With the exception of the Helipad and Covid fundraising, the NICU (Neonatal Intensive Care Unit) still continues to be one of the most supported funds from the local community, and current and past patients.

This year, we were able to help support many projects across the hospital site, a few are included below:

- NICU equipment and comfort items.
- Magseed device to support breast cancer surgery
- Facilities for wards and surgical wards
- Engagement events for staff
- Bravery items and entertainment equipment for the Children's departments
- Cooling and hair loss mask for cancer patents
- Dementia equipment and specialist TV sets
- Allen spinal table to support all spinal procedures
- Sleeping chairs for birthing partners
- Supported the retirement fellowship
- Carers packs
- Parent accommodation for NICU families.
- Community midwives room

In March the whole Trust was impacted by COVID-19, in response the Charity has diverted all of team efforts (approved by the Corporate Trustee) to supporting the staff health and wellbeing programme. The teams helped co-ordinate the distribution of donated items to the staff areas that needed it and also with the recruitment of extra NHS volunteers. The Charity also supported over 80% of regular volunteers who needed to remain home during the crisis.

The response from Corporates and the Community has been phenomenal with us receiving offers of donated items such as food and Easter eggs and hand lotions and other items. Fundraising is fairly non-existent at present, however the advantage of these companies having the charity as the point of contact is that we can ensure correct processes are kept and develop future relationships.

Social media continues to be a large source of contact with our supporters, this has seen a dramatic increase in the last month of the financial year, with Covid related posts reaching over 100k.

The *Give a Gift* campaign where people donate presents for patients through our online wish lists was a huge success. Over 800 gifts were bought in total and a number of companies also came in with additional presents for patients. This year we were able to provide a present for every inpatient in on Christmas day, some of the Governors and Non-Executive Directors helped to give these out on the wards.

On behalf of all the staff, patients and their families the Trust would like to say a huge thank you to everyone who has supported the hospital by making a donation, giving gifts or volunteering their time. Your support makes a real difference to our patients and their families and helps make a difficult time more comfortable and less distressing.

For more details about how to get involved with fundraising or to find out more about specific projects and what donations are spent on please contact the Charity Team on 01582 718 289 or email fundraising@ldh.nhs.uk

The Luton and Dunstable Hospital Charitable Fund is a registered charity in England and Wales number: 1058704

Property Plant and Equipment and Fair Value

As stated in note 1.7 to the accounts, Property Plant and Equipment are stated at Fair Value which is defined as the lower level of replacement cost and recoverable amount. A review is carried out each year for any potential impairment, with a formal revaluation every five years. An interim property valuation as at 31 March 2020, was undertaken by Gerald Eve LLP. The Directors' opinion is that there are no fixed assets where the value is significantly different from the value included in the financial statements.

External Auditor

KPMG LLP (UK) is our external auditor. The appointment was made and approved following a presentation by the Chair of the Audit Committee to the Council of Governors.

KPMG LLP (UK) may, from time to time, be asked to carry out non-audit work. The cost of these other services is shown in note 5.5 to the accounts. It is important to ensure that any additional services provided by the external auditors do not impact on their ability to be independent of management, and that conflicts with objectivity do not arise. We will develop a protocol through the Audit and Risk Committee to address this. This protocol will need to be approved by the Council of Governors.

Private Finance Initiatives (PFI Schemes)

We have two capital schemes arranged under the PFI:

1. St Mary's Wing scheme was completed in 2003 under a 27 year scheme with 10 years remaining.

2. The electronic patient record scheme is a 10 year scheme that has now completed.

There were no new PFI schemes in the year and any future schemes are unlikely as they would be funded either through internally generated resources or external financing using the additional freedoms granted to Foundation Trusts.

Better Payment Practice Code

We are continuing to maintain cash balances within the needs of our suppliers, settling 87% of non-NHS invoices within 30 days of receipt of a valid invoice.

2018/19	Number of invoices	Value £000s
Total Non-NHS trade Invoices paid in the year	75,712	£127,452
Total Non-NHS trade Invoices paid within target	65,622	£106,819
Percentage of Non-NHS trade Invoices paid within target	87%	84%

Off Payroll Engagements

NHS Foundation Trusts are required to disclose the information in the tables below about off-payroll engagements. The Trust requires contracts for services to be in place for all such engagements with a specific clause to allow the Trust to request assurance in relation to income tax and National Insurance obligations.

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2020	1
Of which...	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	6
Of which...	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	6
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
No. of engagements reassessed for consistency/ assurance purposed during the year	6
No. of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	

Counter Fraud

The Trust has a counter fraud policy for dealing with suspected fraud and corruption and other illegal acts involving dishonesty or damage to property. Nominated staff whom Trust staff can contact confidentially are the Director of Finance and the Local Counter Fraud Specialist (LCFS). The LCFS provides reports to our Audit and Risk Committee four times a year.

Data Loss and Incident Reporting.

The General Data Protection Regulation (GDPR) as implemented by the UK Data Protection Act 2018 became UK Law on 25 May 2018. It introduced a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority.
An organisation must notify a breach of personal data within 72 hours. If the breach is likely to result in a high risk to the rights and freedoms of individuals, organisations must also inform those individuals without undue delay.

Breach reporting is now mandatory for all organisations.

A breach is defined by Article 4(12) "Personal data breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

Establish the likelihood that adverse effect has occurred

No.	Likelihood	Description
1	Not occurred	There is absolute certainty that there can be no adverse effect. This may involve a reputable audit trail or forensic evidence
2	Not likely or any incident involving vulnerable groups even if no adverse effect occurred	In cases where there is no evidence that can prove that no adverse effect has occurred this must be selected.
3	Likely	It is likely that there will be an occurrence of an adverse effect arising from the breach.
4	Highly likely	There is almost certainty that at some point in the future an adverse effect will happen.
5	Occurred	There is a reported occurrence of an adverse effect arising from the breach

If the likelihood that an adverse effect has occurred is low and the incident is not reportable to the ICO, no further details will be required.

No	Effect	Description
1	No adverse effect	There is absolute certainty that no adverse effect can arise from the breach
2	Potentially some minor adverse effect or any incident involving vulnerable groups even if no adverse effect occurred	A minor adverse effect must be selected where there is no absolute certainty. A minor adverse effect may be the cancellation of a procedure but does not involve any additional suffering. It may also include possible inconvenience to those who need the data to do their job.
3	Potentially some adverse effect	An adverse effect may be release of confidential information into the public domain leading to embarrassment or it prevents someone from doing their job
4	Potentially Pain and suffering/ financial loss	There has been reported suffering and decline in health arising from the breach or there has been some financial detriment occurred. Loss of bank details leading to loss of funds. There is a loss of employment.
5	Death/ catastrophic event.	A person dies or suffers a catastrophic occurrence

Establish the likelihood that adverse effect has occurred

No.	Likelihood	Description
1	Not occurred	There is absolute certainty that there can be no adverse effect. This may involve a reputable audit trail or forensic evidence
2	Not likely or any incident involving vulnerable groups even if no adverse effect occurred	In cases where there is no evidence that can prove that no adverse effect has occurred this must be selected.
3	Likely	It is likely that there will be an occurrence of an adverse effect arising from the breach.
4	Highly likely	There is almost certainty that at some point in the future an adverse effect will happen.
5	Occurred	There is a reported occurrence of an adverse effect arising from the breach

If the likelihood that an adverse effect has occurred is low and the incident is not reportable to the ICO, no further details will be required.

No	Effect	Description
1	No adverse effect	There is absolute certainty that no adverse effect can arise from the breach
2	Potentially some minor adverse effect or any incident involving vulnerable groups even if no adverse effect occurred	A minor adverse effect must be selected where there is no absolute certainty. A minor adverse effect may be the cancellation of a procedure but does not involve any additional suffering. It may also include possible inconvenience to those who need the data to do their job.
3	Potentially some adverse effect	An adverse effect may be release of confidential information into the public domain leading to embarrassment or it prevents someone from doing their job
4	Potentially Pain and suffering/ financial loss	There has been reported suffering and decline in health arising from the breach or there has been some financial detriment occurred. Loss of bank details leading to loss of funds. There is a loss of employment.
5	Death/ catastrophic event.	A person dies or suffers a catastrophic occurrence

Luton and Dunstable Incidents reported via the new incident tool

Summary of incidents reported to the information commissioners Office (ico) via the DSP toolkit incident reporting tool in 2019/20

Date of Incident (Month)	Nature of Incident	Nature of data involved	ICO Response:
July 2019	Complaint response sent to patients previous address.	Clinical & Patient information	Not required to report
Oct 2019	A process requires staff to work on a report which contains PID and then to send out a statistical report to NHS England and a few internal contacts. In error, the file containing PID was sent instead of the statistical report.	Clinical & Patient Information	Not required to report
Nov 2019	A patient presented in ED. The receptionist registered the wrong patient. The mistake was noticed during triage and highlighted it back to the receptionist for correction. It was at this point the receptionist overwrote the new name rather than re searching the system for the correct patient.	Clinical & patient information	Not required to report
Dec 2019	Email relating to a patient complaint was sent to another patient by mistake. Incorrect patient email address was included in thread by complaints team.	Clinical, patient & staff Information	Not required to report
Jan 2020	Patient contacted DPO to report a potential data breach. Patient received a letter informing them of an appointment however they already had an appointment on another date. When the patient contacted the outpatient team and gave her details is became clear that the details held for her were incorrect and related to another patient. The patient is now concerned that her PID may have been sent to this patient and that their medical records may include another patients data.	Patient & clinical information	Not required to report
Feb 2020	Member of Staff in Access to Health Records sent the wrong notes to patient in error.	Patient & clinical Information	Not required to report
March 2020	Patient brought medical notes from Bulgarian clinic to fracture clinic. Patient requested all originals back but on returning these she stated that some labels were missing.	Patient & Clinical	Not required to report

Annual Governance Statement and Accounts

Statement of the Chief Executive's Responsibilities

as the Accounting Officer of Luton and Dunstable University Hospital NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Luton and Dunstable University Hospital NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Luton and Dunstable University Hospital NHS foundation trust and of its income and expenditure, other items of comprehensive income total recognised gains and losses and cash flows for the financial year.

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

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

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

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

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

David Carter
Chief Executive
Date: 17th June 2020

Annual Governance Statement 2019/20

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

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 Luton and Dunstable University Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Luton and Dunstable University Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Chief Executive is accountable for managing risk and leads the Executive Board, attends each of the Sub-Committees of the Board and the Clinical Operational Board to ensure that the Trust has robust processes in place to manage risk.

The Board leads for Risk Management are the Chief Medical Advisor and the Chief Nurse. The Director of Re-Development is the Board lead for non-clinical (including Health and Safety) risk management. The Chief Medical Advisor leads on clinical risk management and chairs the Clinical Risk Management Committee where all aspects of clinical risk management are discussed. A report is provided to the Clinical Operational Board and assurance is then provided to the Clinical Outcome, Safety and Quality Committee and the Audit and Risk Committee. The Clinical Operational Board includes a high level Executive membership and includes the clinical medical consultant leadership though the Clinical Chairs and Divisional Directors. The Clinical Chairs and Divisional Directors are accountable for ensuring risk tolerance is embedded within their Divisional Boards.

All risks are reviewed by the Executive that demonstrates top level leadership to risks by considering and approving all new risks to the risk register.

Risk management training sessions are provided to staff as required. At induction, new joiners to the organisation undergo basic training in risk management (clinical and non-clinical).

Liaison with Clinical Chairs and Divisional Directors ensures that when practice is changed as a result of integrated learning from the risk management process, this is cascaded to Divisions. This takes place through the Clinical Operational Board and the Divisional Board meetings.

The Trust Risk Register is developed from risks identified at the Board of Directors and its sub committees and at divisional and department level plus from those identified from other sources e.g. external reports. The Board ensures action is taken to mitigate any risks to quality. Risks and benefits to quality and safety are assessed for all reviews of efficiency related initiatives. The Board receives the Board Assurance Framework every three months and reviews a summary of the risk register every three months in order to be able to maintain understanding of the current and future risks. The Board has participated in seminars which help in the identification of future external risks to quality such as new national guidance, new technologies business continuity and health and safety.

The risk and control framework

Risk continues to be managed at all levels of the Trust and is co-ordinated through an integrated governance framework consisting of performance and assurance processes. The Executive Board and the Clinical Operational Board lead the review of risk through the Clinical Risk Management, Divisional Boards, Information Governance and Equality and Diversity sub Boards. The Board of Directors lead the review of board level strategic risk seeking assurance from the Audit and Risk, Clinical Outcome, Safety and Quality, Finance, Investment and Performance Committees and the Hospital Re-Development Board.

The Risk Management Strategy continues to provide an integrated framework for the identification and management of risks of all kinds, whether clinical, organisational or financial and whether the impact

is internal or external. This is supported by a Board Assurance Framework, which is used to record corporate objectives, risks to their achievement, key risk controls, sources of assurance and gaps in assurance to ensure effective risk management.

There is a Risk Review process under the leadership of the Executive Directors, who are consulted to approve any new risks that have been identified through the Divisions, Corporate Services or Committees and reported through the central risk register database (Datix). The relevant Executive Director agrees whether the risk is a Strategic Board Level Risk that has implication to the achievement of the Trust Objectives, reviews the assessment score and also allocates the risk to the relevant Sub-Committee for assurance and operational board for performance monitoring. The closed risks are also monitored to ensure the Executive Team is aware of risk amendments. The Trust has in place a weekly Senior Staff Committee that overseas operational risk.

The assessment and subsequent management of risk is informed by its quantification using a risk grading matrix, which is set by the Board of Directors. Consequence and likelihood tables are outlined in the Risk Management Framework across a range of domains; the consequence tables grade each risk by reference to its expected impact. This, combined with the likelihood score, defines a measure of overall risk. The Trust risk tolerance is set by considering all risks through the Risk Review by the relevant Executive Director and identifying those risks that have implications to the achievement of the Trust Objectives. Any of these Board Level Risks that are rated as a high risk are reported to the Board of Directors quarterly. Actions and timescale for resolution are agreed by the risk leads and monitored by the Board of Directors and relevant sub-committee. Through this process, the Board are informed of any risks that would require acceptance as being within the Trust's risk tolerance.

The organisations major risks are detailed on the Trust Risk Register and Assurance Framework. Through the annual planning, the risks are formulated into five elements and the risks linked to those and their mitigating actions are documented below. The Risk Register is reviewed by the Board of Directors, Audit and Risk Committee, Clinical Outcome, Safety and Quality Committee, FIP, and Executive Board, it contains in year and future risks.

To risks managed by L&D in the year (Summary)

Risk Type	Risk description	Impact	Likelihood	Mitigating actions	Monitoring Framework
Clinical Operational	Workforce Pressures Capacity pressures and responding to demand Implementation of integrated care The need for robust and whole system working	High	High	Workforce plans in place. Board approved action plans with Trust partners where appropriate. Length of Stay, Discharge Project and Needs Based Care initiative. Ongoing collaborative work with BLMK ICS and Local Health system, in particular Bedford Hospital.	Weekly Senior Team and Executive meetings. Monthly Clinical Outcomes, Safety & Quality Committee and ongoing reporting to the Board. Board of Directors strategic oversight.

Risk Type	Risk description	Impact	Likelihood	Mitigating actions	Monitoring Framework
Finance	Delivering the financial challenge including Commissioner plans, agency spend and CQUIN	High	High	Monthly review of key income, expenditure, capex, cash, balance sheet and quality performance metrics. Monthly performance review meeting with Divisions led by Executive Directors. CQUIN forms part of the Quality Account.	Monthly reports of cumulative financial performance incorporating clear forecasting and an alert mechanism to identify issues that allow corrective action. Monthly Finance, Investment & Performance committee review. Monthly review of the Quality Account priorities at the Clinical Outcome, Safety and Quality Committee. Introduction of Monthly Service Line Executive Review Framework.
Present Hospital Campus	Going forward the Trust site will not be consistent for capacity or clinical requirements for good patient care. Backlog Maintenance	High	High	Robust management and governance arrangements in place to manage ongoing risks and hospital re-development project. Finance, Investment and Performance Committee (FIP) oversight of backlog maintenance plans and strategy.	Board oversight of developments with DH and NHSI. Board review of Full Business Case and approval of actions. Finance, Investment & Performance committee review.
Legislation/ Target/ Regulation/ Patient Safety	Maintaining compliance against CQC outcomes, national and contractual targets and legalisation	High	Moderate	Board approved action plans in place.	Regular monitoring / Assurance from Board Sub-Committees.
Business Continuity	The Trust needs to be able to function in the event of a major or catastrophic event	High	Low	Ensure that the Emergency and Business Continuity plans are frequently reviewed, communicated and understood by key staff. Ensuring Brexit plans are fully developed. Responding to cyber security	Ongoing review and testing of Business Continuity plan relevant adaptation of plans. Oversight by Board Sub group.

The new Trust will operate a similar process and has developed a single risk register for the new organisation.

Incident reporting is actively promoted and encouraged across all directorates as part of the culture of the organisation. The Trust actively promotes a culture of 'fair blame' or 'just blame', to encourage staff to report incidents. Incidents that have a significant impact on the Trust, its business or an individual are immediately and thoroughly investigated and the lessons learnt are shared across the Divisions.

Risks to data security are managed through a security risk register and through incident reporting. Mitigating actions are reviewed through the Information Governance Steering Group and reports to the Executive Board. Duty of Candour is also complied with for all incidents and above that result in moderate or severe harm.

Risk Management is an embedded activity of the organisation and can be demonstrated through a number of examples:

- Each Divisional Board reviews reported incidents and are required to report to the Clinical Operational Board and reflect on the issues raised, develop any further controls to manage the principal risks and to minimise, as far as reasonably practical, the incident occurring again. If there is a persistent risk issue identified from the incident, the issue is evaluated through the Risk Register and also subjected to independent scrutiny (for example: internal audit, external accreditation)

- Risk management is integrated into core Trust business in relation to equality impact assessments. All policies and procedures when created or reviewed have to include an Equality Analysis Form. If there are any negative impacts on a particular group of people/ equality group following the completion of this form, the Trust will record any changes to the service and/or policy. Any actions will be integrated into existing service planning and performance management frameworks along with monitoring and review processes.

- Business cases include a risk analysis both financially and clinically.

- During the coming year the Trust will continue to embed a culture of external review and engagement of independent expertise to facilitate greater objectivity and learning;

- During the year in addition to using the services of internal and external audit, a number of specific reviews were commissioned.

- The Trust received an external CQC visit and the report received in December 2018 identified the Trust as 'good' with the Well-Led element of the assessment as 'Outstanding' for the services and 'Good' for the organisation.

The Luton and Dunstable NHS Foundation Trust is fully registered with the CQC and its current registration is **Registration without Conditions.**

No enforcement action has been taken against the Trust during the reporting period April 1st 2017 and 31st March 2018 and we have not participated in special reviews or investigations by the CQC during the reporting period.

The CQC monitor, inspect and regulate care services to ensure patients receive safe, effective, compassionate, high quality care. To really measure the patient's experience of care, they have identified five key questions based on the things that matter to patients. The CQC will ask these questions of every service.

- **Are they safe?** By safe we mean people are protected from physical, psychological or emotional harm. For example are people getting MRSA because of poor hygiene?

- **Are they effective?** By effective we mean that people's needs are met and their care is in line with nationally recognised guidelines and relevant NICE quality standards or effective new techniques are used to give them the best chance of getting better. For example is there an effective 'enhanced recovery' programme?

- **Are they caring?** By caring we mean that people are treated with compassion, respect and dignity and that care is tailored to their needs.

- **Are they responsive to people's needs?** By responsive we mean that people get the treatment and care at the right time without excessive delay.

- **Are they well-led?** By well led we mean that there is effective leadership, governance (clinical and corporate) and clinical involvement at all levels of the organisation and an open, fair and transparent culture that listens and learns and that there is a clear programme of improvement.

A programme of communication to all staff was undertaken and action plans put in place across the domains. The action plans are monitored by the Clinical Outcome, Safety and Quality Committee on a quarterly basis.

The Trust promotes the involvement of patient representatives to ensure the quality of performance data and to triangulate feedback and reviews in many aspects of its activities. Patients and Governors are represented on the following committees:

- Equality and Diversity Committee
- Clinical Audit and Effectiveness Committee
- Patient and Public Participation Group
- PLACE (Patient Led Assessment of the Care Environment)
- Ethics Committee
- Outpatients
- Hospital Re-Development Board
- Car Parking Working Group
- Safeguarding Adults
- Carbon Management

Healthwatch monitor the services provided by the Trust and report directly to the Chief Executive and issues are then referred to appropriate Directorate for consideration and action. Representatives from Luton Healthwatch are members of the Trust's Patient and Public Participation Group. The National Patient Survey action plan is also progressed and monitored through this group.

Since becoming a Foundation Trust the organisation has extended the involvement of staff and the public by creating a Council of Governors. The Council of Governors is responsible for a wide range of duties including, but not exclusively, being consulted on health service changes, meeting with members in their constituency, appointing and holding to account the Chair and Non-Executive Directors and attending Council of Governors' meetings. The Governors include representatives from other key stakeholders such as the CCGs, Local Government Councils and Universities.

The Trust ensures that it reviews its short, medium and long term workforce issues. This is completed by:

- Executive Performance speciality and divisional meetings outlined in the Scheme of Delegation
- Triangulation of information from the Shelford Safer Nursing Care tool, CHPPD, Nurse Sensitive Metrics along with professional judgements to determine the number of staff and range of skills required to meet the needs of patients. Additional analysis and recommendations will be presented for ED Nursing and children's services in addition to midwifery staffing
- Twice daily workforce meetings to assess and redeploy sufficient suitably qualified, competent, skilled and experienced staff to meet the care and treatment needs safely and effectively.
- Monthly Formal Executive meetings oversee the vacancy rate, agency rate and workforce pressures to agree business cases and assess risks and controls in place
- Executive Director review of agency is completed monthly to ensure that decisions are made at a high level
- Board approved workforce action plan reporting to NHSI with particular attention to agency use is reported to FIP monthly
- Assurance on the impact of vacancy and agency use is provided to COSQ and the Board including nursing safe staffing requirements triangulated with patient quality measures
- Assurance on the impact on finance and performance is provided to FIP and the Board

The Board agreed in April 2019 to formalise a Workforce Sub-Committee of the Board. This committee was initiated in September 2019 and has approved their terms of reference. It receives assurance across nursing and midwifery, medical and other clinical staffing to triangulate issues and concerns and review new ways of working. It will also receive assurance that the recommendation from the Workforce Safeguards Review have been considered and implemented.

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

The foundation trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS'22 guidance.

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.

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

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

In addition to the financial review of resources within the quarterly monitoring returns to NHS Improvement and the monthly financial information provided to all budget holders, the processes that have been applied to ensure resources are used economically, efficiently and effectively include Clinical Audit and Effectiveness, Medical Equipment and Medicines Management. The Trust has governance arrangements for the Finance, Investment and Performance Committee with Divisions presenting directly to the committee on a range of financial and operational matters.

A Clinical Audit and Effectiveness Department is also maintained to:

- Oversee the implementation of National Institute of Clinical Effectiveness (NICE) guidance.
- Monitor the introduction of new techniques ensuring clinical and cost effectiveness of new treatments, as well as the appropriate training of clinicians.
- Support clinical audit work within the Trust, ensuring clinicians work in the most effective way, adopting good practice uniformly across the Trust through protocols and guidelines.

The use of management groups charged with monitoring efficiency and effectiveness as part of their terms of reference:

- The Executive Team review the capital bids.
- The Medical Equipment Group advises on the replacement and purchase of new medical equipment.
- The Medicines Management Group oversees the maintenance and development of the drug formulary to ensure clinically appropriate and cost effective use of medicines.

The Trust's efficiency is quantified annually through the national reference costs exercise. The latest published index for the Trust is 89 (based on 2015-17 accounts and activity) compared to a national average index of 100.

The Trust is also engaging in a range of benchmarking exercises to determine best practice and assess the means of implementing it at the L&D for example the Carter Review.

Information governance

The Trust has had seven grade 2 information governance incidents in relation to a confidentiality breach and all were reported to the Information Commission Officer (ICO). All events have been closed with no further action.

Data quality and governance

The Quality Account is the responsibility of the Director Quality and Safety Governance supported by all of the Executive Team and is written following guidance issued by NHS Improvement. Processes put in place via the Information Governance Toolkit, led by the Director of Information Technology, as Senior Information Risk Owner (SIRO),provides assurance that the Trust's Data Quality is reviewed and monitored.

Following the development and launch of a Quality Strategy last year the Trust has confirmed its commitment to that strategy through the appointment of an Executive Director of Quality and Safety Governance to provide leadership to our quality improvement plans, with specific objectives around maintaining the Trust's Care Quality Commission's (CQC) rating of good together with developing a programme of work to support the organisation on its journey to outstanding.

A delivery plan is now in place which aims to enhance and support an organisational culture where quality improvement is part of our day to day business and to encourage an environment where our staff feel empowered to identify improvement need and then create the change with sustained improvement.

This programme of work will be overseen by a steering Board with a membership that includes the Medical Director, Chief Nurse and is chaired by the Director of Quality and Safety Governance. The group will provide regular updates to the Clinical Outcomes, Safety and Quality subcommittee of the Trust Board.

Through the Information Governance Toolkit, the Trust has a number of key information policies in place including data quality that sets out the roles and responsibilities.

The Trust has three reports that feed data into the Board of Directors; the Quality and Performance Report, Finance Report and Workforce Report. Each of these contains data that is tracked over months and years to identify variances.

The Trust monitors CHKS alerts through the Mortality Board, Clinical Operational Board and Clinical Audit and Effectiveness Committee. Clinical Audit forward plans detail the work undertaken to review the data quality of these alerts. Annually the Trust has an external audit of clinical coding that demonstrated excellent practice and an external peer review of Information Governance that demonstrates assurance against the Information Governance Toolkit that includes Data Quality.

The Trust reviews directorate dashboards e.g. maternity to collect data at source and monitors the effectiveness of central data through the SUS (Secondary Uses Service) reports. The Trust monitors key performance indicators in relation to data quality that demonstrates improving practice across the Trust.

18 week data is generated by the Information Department on a weekly and monthly basis and then actively used by key departments to manage the patients' pathways so that patients receive treatment within 18 weeks of referral. Although initial checks are made by the Information Department, this data is further validated by our separate 18 week team who interrogate the files and physically track the patients' pathway on our current IT systems and record comments regarding the progress of the pathway. Inputting of the 18 week data is restricted to a core team to reduce the risk of inaccurate data entry and the further weekly validation allows for any errors to be rectified immediately. Weekly graphs are produced which are cascaded to a wider senior team both specifically around waiting list demand and 18 week performance, both which are able to highlight data discrepancies should they arise. A fortnightly meeting also interrogates the Flash report which details the 18 week patients at specialty level.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the 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 and Risk Committee and Clinical Outcome, Safety and Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal control during 2018/19 was monitored by the following:

- The Board of Directors – The Board places reliance upon the Audit and Risk Committee for assurances that the system of internal control is sound. They require the quality and financial sub-committees to oversee the actions and outcomes from the Internal Audits.
- The Audit and Risk Committee – The function of the Audit and Risk Committee is to ensure an adequate and effective operation of the Trust's internal control system. The committee focuses on the establishment and maintenance of controls designed to give reasonable assurance that assets are safeguarded, waste and inefficiency avoided, reliable information produced and that value for money is continuously sought.
- The structure of the Board of Directors meetings allows the appropriate time to ensure matters regarding Performance and Quality would be managed through the whole Board
- The Clinical Outcome, Safety and Quality Committee focus on assurance issues relating to clinical and corporate governance, risk management and assurance framework and report monthly to the Board. This committee is supported by the Clinical Operational Board that ensures divisional clinical leadership. The COSQ committee also receive assurance against the Care Quality Commission Quality Outcomes on a monthly basis.
- The Clinical Audit and Effectiveness Committee reports to the Clinical Operational Board. The committee ensures clinical leadership through the divisions, monitors the implementation of NICE guidance and reviews the Dr Foster benchmarking data sets to review trends. This process is reported to the Executive Board and assurance provided to the Clinical Outcome, Safety and Quality Committee.
- The Finance, Investment and Performance Committee takes an overview of operational activity and performance against national and local targets.
- Internal Audit – Internal Audit review the system of internal control during the course of the financial year and report accordingly to the Audit and Risk Committee.
- A Provider Licence Assurance Framework was reviewed by the Audit and Risk Committee. The Trust has reviewed Governance arrangements through the assessment of the Healthy Board 2013 and the Monitor Code of Governance. These assessments have been cross referenced against the Licence requirements laid out in condition 4 of the FT Governance. The CQC Assessment in December 2018 also provides assurance that the Trust is well led with appropriate governance in place.

Compliance with the NHS Foundation Trust Code of Governance

It is considered that the Luton and Dunstable University Hospital NHS Foundation Trust complies with the main and supporting principles of the Code of Governance. This includes the issues of whether or not all of the Non Executive Directors are independent in accordance with code provision B.1.1. The Board has determined that all of the NEDs are independent in character and judgement.

In relation to the more detailed provisions of the Code of Governance, the Trust were compliant with the provision with the exception of section B.1.2 from April and May 2019 the Board did not have half the Board of Directors as Non-Executive Directors excluding the Chair. In our Constitution the Chair votes as a Non-Executive and has a casting vote.

My review is also informed by:

Internal Audit which has completed reviews of Business Continuity, Procurement and Contract Management, Global Digital Exemplar (GDE) Project, Data Security and Protection (DSP) Toolkit, Financial Control of Medical Bank and Outpatient Booking Backlog Validation. Follow up work was also completed on and Urgent GP Centre review. This work has supported the Audit and Risk Committee's understanding and review of the key issues facing the Trust. Internal Audit reviews are conducted using a risk-based approach covering areas agreed as being the priority for review based on a risk assessment agreed between the Audit and Risk Committee, Management and the auditors.

The Head of Internal Audit reports that they have completed the programme of internal audit work for the year ended 31 March 2020. There has been a delay to the final report for the outpatient backlog due to the COVID 19 pandemic. Their work identified no critical risk rated reports in 2019/20. However there were three high rated reports. Although there were no critical findings there were three high findings across three reports. The total number of findings / recommended or suggested actions is similar though to previous years, evidencing that there remain opportunities to strengthen governance, risk management and control although no major weaknesses have been identified and no major improvements are required.

Although there were no significant issues, some improvements are required in some areas to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

- For GDE, Improvements in risk management and monitoring of projects
- For Financial control of medical bank, more detailed information of bank and agency staff usage for better oversight
- For Procurement and Contract Management, maintenance, documentation and monitoring of contracts
- For DSP toolkit, maintenance of the evidence to support compliance

All recommendations arising from Internal Audit's work are considered by managers and an action plan agreed. The report, action plan and subsequent progress in implementing those actions are reviewed and monitored by the Audit and Risk Committee, and where relevant also by the Clinical Outcome, Safety and Quality Committee and the Finance Investment and Performance Committee.

The Trust has taken action throughout the year to address issues raised through the internal audit process. We:

- Improved the recording of the GDE Project Board Minutes and the risk log.
- Implemented processes to capture key information required for contracts and monitor compliancy
- Risk assessed the compliancy issues in relation to the DSP toolkit
- Developed a proposal for service line information to be reported through the performance Executive meetings

Conclusion

No significant internal control issues were identified and this is supported by a robust governance structure that reviewed any identified any weaknesses regularly. Some areas for action were identified during the year and immediate action taken to mitigate and resolve the concerns.

David Carter
Chief Executive
Date: 17th June 2020

KPMG

Independent auditor's report

to the Council of Governors of Bedfordshire Hospitals NHS Foundation Trust (formerly Luton and Dunstable University Hospital NHS Foundation Trust)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Luton and Dunstable Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of the Group and Trust's income and expenditure for the year then ended; and

— the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Overview		
Materiality: Group financial statements as a whole	£6.8m (2019:£6.5m) 1.8% (2019: 1.8%) of Group operating income	
Coverage	100% (2019:100%) of Group operating income	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of land and building	◀▶
	Revenue recognition	◀▶
	Expenditure recognition	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2019):

	The risk	Our response
Valuation of land and buildings (£105.7m; 2019: £96.2m) *Refer to page 11 (Audit Committee Report), page C22 (accounting policy) and page C39 (financial disclosures)*	**Subjective valuation** Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non- specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV). There is significant judgement involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation, such as the condition of the asset. The Trust's accounting policy requires revaluations of land and buildings to be 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. The Group operates from one site of which it holds land assets with a value of £14.9m and buildings (including dwellings) with a value of £90.8m as at 31 March 2020. The last full revaluation took place as at 31 March 2018. The Trust has engaged an external valuer during 2019/20 to perform desktop valuation. This review has resulted in downward revaluation of £3.8m since the prior year. The valuer indicated that the valuation indices could be relied upon as at 31 March 2020 but there existed a materiality uncertainty as a result of the outbreak of the COVID-19 pandemic which resulted in the need for the Trust to more frequently consider impairment of assets in the future. Valuations are inherently judgmental therefore our work focused on whether the valuer's methodology and assumptions were appropriate and correctly applied.	Our procedures included: — **Assessing valuer's credentials:** We assessed the capabilities, objectivity and independence of the Trust's valuer and the terms under which they were engaged by management. — **Methodology choice:** We assessed the reasonableness of the assumptions adopted during the revaluation exercise regarding the use of the building and extent to which it had been subject to upgrade and refurbishment since the last revaluation and ensured that these changes had been considered during the valuation exercise. — **Methodology choice:** We considered the revaluation basis and benchmarks used by the valuer. — **Test of detail:** We considered the impairment assessment completed by the Trust regarding assets not selected for external revaluation and considered its reasonableness. In doing so we drew on national benchmarks. — **Test of detail:** We considered the accuracy of the underlying data provided by the Trust and used by the valuer as the basis of their valuation. We reconciled the data to that used in the prior year and investigated the cause for any changes. — **Test of detail:** We considered the appropriateness of the accounting treatment applied by the Trust when recognising revaluation gains or losses on individual assets. **Our findings** We found the resulting valuation of land and buildings to be balanced (2018/19: Balanced).

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
NHS and Non-NHS income (£385.3m; 2019: £363.9m) *Refer to page 12 (Audit Committee Report), page C19 (accounting policy) and page C30 (financial disclosures)*	**Effects of irregularities** The main source of income for the Group is the provision of health care services to the public under contracts with NHS commissioners, which make up 96.2% of income from activities (2018/19: 93.1%). Income from NHS England and CCGs is captured through the Agreement of Balances (AoB) exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes In 2019/20, the Trust secured £7.3m of Provider Sustainability Funding (PSF) and £6.1m of Marginal Rate Emergency Tariff (MRET) for achieving financial and performance targets. In addition to above the Group reported other total income of £32.9m (2018/19: £45.2m) from mix of NHS and non-NHS bodies. Much of this income is generated by contracts with Local Authorities and from overseas or private patients. Consequently there is a risk that income will be recognised on a cash rather than an accruals basis. We do not consider NHS and non-NHS income to be at high risk of significant misstatement, or to be subject to a significant judgement. However, due to its materiality in the context of the financial statements as a whole, NHS and non-NHS income is considered to be one of the areas that had the greatest effect on our overall audit strategy and allocations of resources in planning and completing our audit.	Our procedures included: **Tests of detail:** — We agreed a sample of the NHS income recorded in the financial statements to the signed contracts in place with key commissioners; — We agreed a sample of invoices to confirm they had been issued in line with the contracts signed with four of the Trust's key commissioners; — We obtained third party confirmations from commissioners through the AoB exercise and compared the values they are disclosing within their financial statements to the value of income and receivables captured in these financial statements; — We sample tested non-NHS income by agreeing to invoices and subsequent receipt of funds; — We agreed receivables to post year-end cash receipts, supporting invoices and other documentation. This included testing the assumptions made by the Group in respect of income due that was based on meeting agreed performance targets or KPIs with commissioners and ensuring any fines or deductions have been taken into account; — We confirmed that the approach to impairing receivables was in line with the Trust's accounting policies, and that the Group's judgement for the level of provision is appropriate; and — We reviewed the Trust's calculation of performance against the financial and operational targets used in determining receipt of PSF to determine the amount the Trust qualified to receive. **Our findings** We found the resulting income recognition made by the Trust in relation to NHS and Non-NHS income to be balanced (2018/19: Balanced).

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Accrued non-pay expenditure recognition Non-pay expenditure - £369.2m (2019: 336.3m) Accruals – £10.2m (2019: £7m) *Refer to page 15 (Audit Committee Report), page C21 (accounting policy) and page C45 and (financial disclosures).*	**Effects of irregularities** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.	Our procedures included: **Evaluating intent:** We evaluated the Trust's forecasting used compared actual performance recorded when considering the pressure that may exist for the Trust to achieve a particular year end out turn position driven by the control total agreed with NHS Improvement. **Tests of detail:** — We inspected sample of expenditure in the February to May 2020 bank statements to agree these have been accounted for correctly; — We agreed a sample of accrual balances to supporting documentation and post year- end cash payments to agree the correct treatment as a accrual at year-end; — We reviewed the minutes of the Remuneration Committee (a sub-committee of the Board) and confirmed that senior staff are not remunerated based upon financial or operational results; — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of commissioners or other providers. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure to commissioners or other providers; and **Our findings** We found the resulting estimates made by the Trust in relation to accrued expenditure to be balanced. (2018/19: Balanced).

3. Our application of materiality and an overview of the scope of our audit

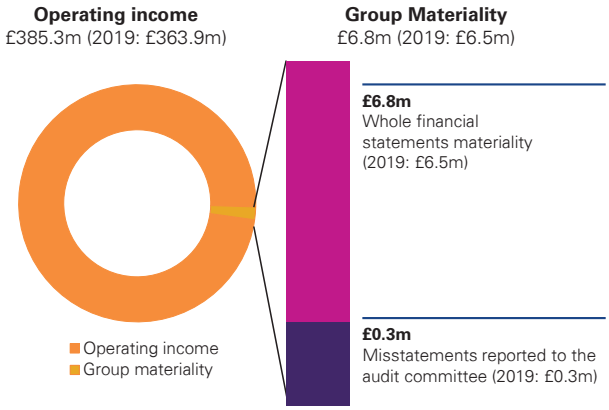
Materiality for the Group financial statements as a whole was set at £6.8m (2019: £6.5m), determined with reference to a benchmark of operating income (of which it represents approximately 1.8%) (2019: 1.8%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

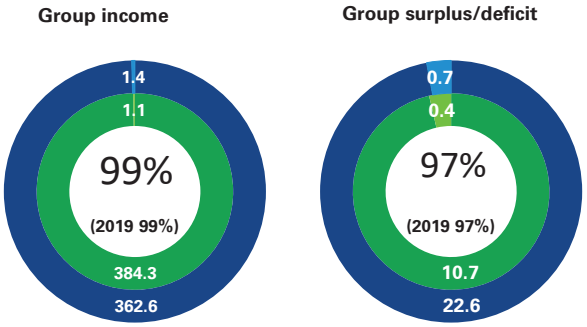
We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3m (2019: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

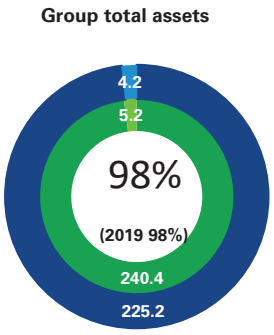
Of the Group's 2 (2019: 2) reporting components, we subjected 1 (2019: 1) to full scope audits for group purposes and 1 (2019: 1) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite.

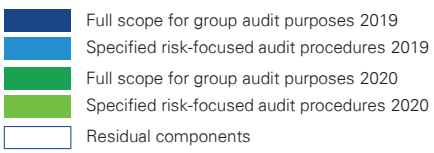
The remaining 1% of total group revenue, 1% of group profit before tax and 1% of total group assets is represented by 1 of reporting components, which does not individually represent more than 1% of any of total group revenue or total group assets.

The Group team visited all (2019: all) component locations to undertake the interim work. As a result of Covid-19 the final audit work was conducted remotely.









4. We have nothing to report on going concern

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

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or

— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20 is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 102, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

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REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

We did not identify any significant risks during our risk assessment..

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

This report is made solely to the Council of Governors of Bedfordshire Hospitals NHS Foundation Trust (formerly Luton and Dunstable University Hospital NHS Foundation Trust), as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Luton and Dunstable University Hospital NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Fleur Nieboer

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square, Canary Wharf, London, E14 5GL

24 June 2020

KPMG

Foreword to the Accounts

These accounts for the year ended 31 March 2020 have been prepared by the Luton and Dunstable University Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

David Carter

Chief Executive
Date: 17th June 2020

Statement of comprehensive income

		Parent (L&D NHSFT)		Group (L&D NHSFT & NHS Charitable Funds)	
		2019/20	2018/19	2019/20	2018/19
	note	£000	£000	£000	£000
Operating Income from continuing operations	2.5	**384,329**	362,582	**385,387**	363,965
Operating Expenses of continuing operations	3	**(368,619)**	(335,580)	**(369,215)**	(336,357)
OPERATING SURPLUS		**15,710**	**27,002**	**16,172**	**27,608**
Finance Costs					
Finance income	6.1	**274**	222	**326**	282
Finance expense - financial liabilities	6.2	**(1,011)**	(1,053)	**(1,011)**	(1,053)
PDC Dividends payable		**(4,212)**	(3,523)	**(4,212)**	(3,523)
NET FINANCE COSTS		**(4,949)**	**(4,354)**	**(4,897)**	**(4,294)**
Gains/(losses) of disposal of assets		**(29)**	(17)	**(166)**	85
Surplus / (deficit) from continuing operations		**10,732**	22,631	**11,109**	23,399
SURPLUS / (DEFICIT) FOR THE YEAR		**10,732**	**22,631**	**11,19**	**23,399**
SURPLUS/ (DEFICIT) FOR THE YEAR		**10,732**	22,631	**11,109**	23,399
Other comprehensive income					
Revaluation Impact	22	**(3,807)**	0	**(3,807)**	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,925**	**22,631**	**7,302**	**23,399**

Note: Allocation of profits for the period: This surplus is wholly attributable to the owner of the parent.

Statement of financial position

	note	Parent 31 March 2020 £000	Parent 31 March 2019 £000	Group 31 March 2020 £000	Group 31 March 2019 £000
Non-current assets					
Intangible assets	7	**0**	61	0	61
Property, plant and equipment	8	**151,725**	136,443	**151,725**	136,443
Other investments	11	**0**	0	**1,675**	1,620
Trade and other receivables	14	**2,352**	2,927	**2,352**	2,927
Other assets	15	**2,138**	2,287	**2,138**	2,287
Total non-current assets		**156,215**	**141,718**	**157,890**	**143,338**
Current assets					
Inventories	13	**3,731**	3,733	**3,731**	3,733
Trade and other receivables	14	**38,121**	44,957	**38,130**	44,967
Cash and cash equivalents	24	**42,406**	34,767	**45,319**	37,324
Total current assets		**84,258**	**83,457**	**87,180**	**86,024**
Current liabilities					
Trade and other payables	16	**(34,426)**	(30,804)	**(34,466)**	(30,852)
Borrowings	18	**(1,731)**	(1,668)	**(1,731)**	(1,668)
Provisions	21	**(276)**	(252)	**(903)**	(837)
Other liabilities	17	**(779)**	(597)	**(779)**	(597)
Total current liabilities		**(37,212)**	**(33,321)**	**(37,879)**	**(33,954)**
Total assets less current liabilities		**203,261**	**191,854**	**207,191**	**195,408**
Non-current liabilities					
Borrowings	18	**(25,940)**	(27,198)	**(25,940)**	(27,198)
Provisions	21	**(509)**	(559)	**(509)**	(559)
Total non-current liabilities		**(26,449)**	**(27,757)**	**(26,449)**	**(27,757)**
Total assets employed		**176,812**	**164,097**	**180,742**	**167,651**
Financed by					
Taxpayers Equity					
Public Dividend Capital		**74,406**	68,616	**74,406**	68,616
Revaluation reserve	22	**8,107**	11,914	**8,107**	11,914
Income and expenditure reserve		**94,299**	83,567	**94,299**	83,567
Others' Equity					
Charitable Fund Reserves	23	**0**	0	**3,930**	3,554
Total taxpayers & others' equity		**176,812**	**164,097**	**180,742**	**167,651**

Signed:

D Carter
Date: June 2020

The notes on pages page 103 to page 138 form part of the financial statements.

Statement of changes in equity

	Parent - Pre Consolidated				Group Consolidated				
	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Charitable Funds Reserves £000	Total £000
Taxpayers' and Others' Equity at 1 April 2019 - as previously stated	68,616	11,914	83,567	**164,097**	68,616	11,914	83,567	3,554	**167,651**
Surplus/(deficit) for the year	0	0	10,732	**10,732**	0	0	10,442	667	**11,109**
Revaluation Impact	0	(3,807)	0	**(3,807)**	0	(3,807)	0	0	**(3,807)**
Public Dividend Capital received	5,790	0	0	**5,790**	5,790	0	0	0	**5,790**
Other reserve movements - charitable funds consolidation adjustment	0	0	0	**0**	0	0	290	(291)	**(1)**
Taxpayers' and Others' Equity at 31 March 2020	**74,406**	**8,107**	**94,299**	**176,812**	**74,406**	**8,107**	**94,299**	**3,930**	**180,742**
Taxpayers' and Others' Equity at 1 April 2018 - as previously stated	**66,047**	**11,914**	**60,936**	**138,897**	**66,047**	**11,914**	**60,936**	**2,786**	**141,683**
Surplus/(deficit) for the year	0	0	22,631	**22,631**	0	0	22,148	1,251	23,399
Revaluation Impact	0	0	0	**0**	0	0	0	0	**0**
Public Dividend Capital received	2,568	0	0	**2,568**	2,569	0	0	0	**2,569**
Other reserve movements - charitable funds consolidation adjustment	0	0	0	**0**	0	0	483	(483)	**0**
Taxpayers' and Others' Equity at 31 March 2019	**68,616**	**11,914**	**83,567**	**164,097**	**68,616**	**11,914**	**83,567**	**3,554**	**167,651**

Statement of cash flows

	Group	
	2019/20 £000	2018/19 £000
Cash flows from operating activities		
Operating surplus from continuing operations	**16,172**	27,608
Operating surplus	**16,172**	**27,608**
Non-cash income and expense:		
Depreciation and amortisation	**9,160**	8,602
(Increase)/Decrease in Trade and Other Receivables	**7,554**	(13,313)
(Increase)/decrease in other assets	**149**	145
(Increase)/Decrease in Inventories	**1**	(312)
Increase/(Decrease) in Trade and Other Payables	**4,093**	146
Increase/(Decrease) in Other Liabilities	**182**	(1,011)
Increase/(Decrease) in Provisions	**(24)**	(87)
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	**(389)**	(120)
Other movements in operating cash flows	**0**	(12)
NET CASH GENERATED FROM OPERATIONS	**36,898**	**21,646**
Cash flows from investing activities		
Interest received	**274**	222
Purchase of Property, Plant and Equipment	**(27,619)**	(19,671)
Sale of Property, Plant and Equipment	**0**	0
NHS Charitable funds - net cash flows from investing activities	**51**	773
Net cash generated used in investing activities	**(27,294)**	**(18,676)**
Cash flows from financing activities		
Public Dividend Capital received	**5,790**	2,569
Movement in loans from the Department of Health and Social Care	**(835)**	(835)
Other loans repaid	**(4)**	(8)
Capital element of Private Finance Initiative obligations	**(873)**	(645)
Interest paid	**(378)**	(398)
Interest element of Private Finance Initiative obligations	**(636)**	(673)
PDC Dividend paid	**(4,683)**	(3,372)
Net cash used in financing activities	**(1,619)**	**(3,362)**
Increase/(decrease) in cash and cash equivalents	**7,985**	(392)
Cash and Cash equivalents at 1 April 2019	**37,324**	37,716
Cash and Cash equivalents at 31 March 2020 (net of overdraft)	**45,309**	**37,324**

1. Accounting policies and other information

1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow IFRS 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 Body. 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.

1.1.1 Accounting convention

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

1.2 Going concern

These accounts have been prepared on a going concern basis.

The FT is facing, along with all other providers, a challenging financial environment. This challenge has been exacerbated in 2019/20 by the advent of Covid-19, and this challenge will continue into 2020/21. In addition to this, the FT merged with Bedford Hospital Trust and has become Bedfordshire Hospitals NHSFT from 1st April 2020, this has added an additional layer of complexity.

The Directors have received written assurance that funding relating to Covid 19 will be sufficent to cover reasonable costs and this has proved to be the case for costs incurred to date. The Directors have received assurance on the merged organisation's financial standing through detailed due diligence, both internal and external and on the basis of this assurance and due diligence the FT has submitted a surplus plan for 2020/21 to NHSEI.

After due consideration, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual accounts.

1.3 Consolidation

The Trust is the corporate trustee to Luton & Dunstable Hospital NHS Foundation Trust Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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

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

The Trust does not have any other subsidiaries, associates, joint ventures or joint operations as defined under International Financial Reporting Standards.

Unless otherwise stated the notes to the accounts disclose the group position.

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 tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisified 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 healthcare services. A performance obligation relating to delivery of a spell of healthcare is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the trust accrued income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld the Trust reflects this in the transaction price and derecognises the relevant portion of income.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right, instead they form part of the transaction price for performance obligations under the contract.

Revenue from research contracts
Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

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.

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

Provider sustainability fund (PSF) and Financial recovery fund (FRF)
The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

1.5. Other forms of income

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

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

1.6. 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 an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the 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 schemes are accounted for as though they are defined contribution schemes: the cost to the trust is taken as equal to the employer's pension contributions are charged to operating expenses as they become due.

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

The Trust also has employees who are members of the NEST pension scheme. This is a defined contribution scheme and employers pension cost contributions are charged to operating expenses as and when they become due.

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.

1.8. Discontinued operations

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

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; and
- the item has an individual cost of at least £5,000; or
- the item forms a group of assets which individually have a cost of more than £1,000, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates and are under single managerial control.
- the item forms a group of assets which are the initial equipping costs of a new or reconfigured asset with a collective value of over £20,000 and the group of assets are under common managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. 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, plan 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 modern asset of equivalent capacity and location requirements of the service being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service being provided.

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued by professional valuers as part of the five or three-yearly valuation or when they are brought into use where the capital cost is greater than £5m 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 materially different from current value in existing use.

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

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

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or 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 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 income 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 all of the following criteria 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. 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 assets, government grant and other 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) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FREM, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expenses as incurred. The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The lifecycle costs i.e. those costs anticipated to be incurred to maintain the asset to a specified standard, within the scheme form part of the liability of the Trust and consequently have been recognised as a separate asset within the Statement of Financial Position. The asset is amortised each accounting period in accordance with the lifecycle costs incurred in respect of the PFI scheme asset.

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	n/a	n/a
Buildings, excluding dwellings	0	140
Dwellings	0	77
Plant & machinery	0	15
Transport equipment	0	7
Information technology	0	8
Furniture & fittings	0	10

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

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 when it meets the requirements set out in IAS 38.

Software
Software which is integral to the operation of hardware e.g. 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 e.g. 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 under IFRS13 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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.

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 and weighted average cost for drug inventory.

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

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

1.13 Financial assets and financial liabilities
Recognition
Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classifed 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, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below. Financial assets are classified as subsequently measured at amortised cost, or fair value through income and expenditure or fair value through other comprehensive income. Financial liabilities are classified as subsequently measured at amortised cost or fair value through income and expenditure.

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

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

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

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Financial assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

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

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

Credit losses are determined by a review of outstanding contract receivables/ assets for known disputed items, items greater than one year, and customers where there is a history of non-payment. Only in exceptional circumstances will the Trust recognise expected credit losses in relation to other NHS bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition
Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.14 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee
Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment. The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

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

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

1.15 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. For charitable funds decisions made by the Charitable Fund Committee for which there is a constructive obligation to undertake activities are recognised at the point the decision is made.

The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020.

		Nominal Rate
Short term	Up to 5 years	0.51%
Medium term	After 5 years up to 10 years	0.55%
Long term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discharging using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020.

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the Trust is disclosed at note 21 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.

1.16 Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.17 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated and grant funded assets and assets purchased in respect of COVID-19, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable (iv) any Provider Sustainability Fund (PSF) Incentive / Bonus.

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.

1.18 Value Added Tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Corporation Tax

The majority of the Trust's activities are related to core healthcare and are therefore not subject to tax. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the corporation tax threshold, as per the HMRC 'Guidance on the Tax Treatment of Non-core Healthcare Commercial Activities of NHS Foundation Trusts'.

1.20 Foreign exchange

The functional and presentational currencies of the trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at
- the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the
- date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.21 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, see Note 24.

1.22Losses 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 special payments register which reports on a cash basis with the exception of provisions for future losses, see Note 31.

1.23 Gifts

Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

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

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for all leases. The standard also requires the remeasurement of lease liabilities after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a significant but not material impact on non-current assets, liabilities and depreciation.

The GAM does not require the following Standards and Interpretations to be applied in 2019/20.

- IFRS 14 Regulatory Deferral Accounts - Not EU endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
- IFRS 16 Leases – Standard is effective at 1 April 2020 per the FREM (see previous page)
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.26 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:

- review of operating leases to determine whether the significant risks and rewards of ownership of the leased assets have transferred. To mitigate the risk of incorrect conclusions an external advisor's opinion was obtained.

1.27 Sources of estimation uncertainty

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

- allocation of lives to acquired plant and equipment (excluding buildings for which a valuer's opinion is obtained) to calculate the depreciation charge. This is estimated based on the lives of similar assets and knowledge of the procurer.

- It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 8.
- income generated from partially completed spells and non contract income. These are estimated assuming that patterns of provision of service are consistent from year to year.
- accrued expenditure for annual leave is estimated by applying NHS employment contracts' terms and conditions and Trust policy to the average annual leave balance for a sample of departments.

2.1 Operating Income from patient care activities (by nature)

	2019/20 Total £000	2018/19 Total £000
Income from Activities		
Elective income	**42,793**	43,250
Non elective income	**131,912**	113,430
Outpatient income	**50,511**	46,554
A & E income	**21,287**	16,115
Other NHS clinical income	**92,208**	89,939
Additional income for delivery of healthcare services	**0**	7,300
Private patient income	**2,131**	2,085
AfC pay award central funding*	**0**	2,834
Additional pension contribution central funding**	**8,743**	0
Other clinical income	**2,967**	1,108
Total income from patient care activities	**352,552**	**322,615**

* Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.
** The employer contribution rate for NHS Pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS Providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers behalf, The full cost and related funding have been recognised in these accounts.

2.2 Commissioner Requested Services

The Trust's provider licence specifies the Commissioner Requested Services, for details see www.improvement.nhs.uk. This note analyses income from activities between Commissioner Requested Services and Non Commissioner Requested Services.

	2019/20 £000	2018/19 £000
Commissioner Requested Services	**338,711**	309,289
Non Commissioner Requested Services	**13,841**	13,326
	352,552	**322,615**

2.3 Operating lease income

Operating Lease Income	2019/20 Total £000	2018/19 Total £000
Rents recognised as income in the period	260	2,031
TOTAL	**260**	**2,031**
Future minimum lease payments due on leases of Buildings expiring		
- not later than one year;	**170**	172
- later than one year and not later than five years;	**157**	628
- later than five years.	**57**	319
TOTAL	**384**	**1,119**

2.4 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2019/20 £000	2018/19 £000
Income recognised this year	**598**	249
Cash payments received in-year	**180**	85
Amounts added to provision for impairment of receivables	**-**	-
Amounts written off in-year	**-**	63

2.5 Operating Income (by type)

	Parent		Group	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Income from activities				
CCGs and NHS England	**338,991**	300,376	**338,991**	300,376
NHS Foundation Trusts	**533**	557	**533**	557
NHS Trusts	**1,924**	1,418	**1,924**	1,418
Local Authorities	**2,653**	2,650	**2,653**	2,650
NHS Other	**482**	490	**482**	490
Non NHS: Private patients	**2,131**	2,085	**2,131**	2,085
Non-NHS: Overseas patients (non-reciprocal)	**598**	249	**598**	249
NHS injury scheme (was RTA)	**769**	1,108	**769**	1,108
Non NHS: Other*	**4,471**	3,548	**4,471**	3,548
AfC pay award central funding	**0**	2,834	**0**	2,834
Additional income for delivery of healthcare services	**0**	7,300	**0**	7,300
Total income from activities	**352,552**	**322,615**	**352,552**	**322,615**

*Non NHS: Other relates to a contract with private sector provider, previously commissioned by NHS Bedfordshire

2.6 Other Operating Income

Other operating income from contracts with customers:				
Research and development	**676**	1,073	**676**	1,073
Education and training	**10,289**	9,730	**10,289**	9,730
Income in respect of staff costs where accounted on gross basis	**1,663**	2,166	**1,663**	2,166
Provider sustainability fund income (PSF)[1]	**13,469**	18,363	**13,469**	18,363
Other[2]	**4,783**	5,844	**4,783**	5,844
Other non-contract operating income				
Education and training - notional income from apprenticeship fund	**346**	277	**346**	277
Charitable and other contributions to expenditure	**245**	439	**0**	0
Received from NHS charities: Other charitable and othercontributions to expenditure	**46**	44	**0**	0
Rental revenue from operating leases	**260**	2,031	**260**	2,031
NHS Charitable Funds: Incoming Resources excluding investment income	**0**	0	**1,349**	1,866
Total other operating income	**31,777**	**39,967**	**32,835**	**41,350**
TOTAL OPERATING INCOME	**384,329**	**362,582**	**385,387**	**363,965**

1 NHS Performance bonus received for achieving financial and performance targets

2 This includes car parking income of £1,659k (2018/19 £1,753k). This is strictly an income generation activity whereby income exceeds cost and the surplus is invested in the provision of patient care. There are other Trust objectives delivered through this activity including a contribution to the patient and staff safety and experience agenda (additional security and maximising the availability of car parking spaces).

2.7 Additional Income on contract revenue (IFRS 15) recognised in the period

£108k was recognised in 2019/20 that was previously included in the contract liability balance (£1,382k in 2018/19).

2.8 Transaction price allocated to remaining performance obligations

The vast majority of contracts the trust holds align with financial periods with an adjustment made for partially completed patient care treatment as at the financial year end (£0k as at 31/03/2020 due to full and final settlement agreements for 2019/20 and block contracts in place for the early part of 2020/21). As at 31/03/2020 the revenue expected when performance obligations are met in future periods was £779k (£597k in 2018/19).

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.

3.1 OPERATING EXPENSES (by type)

	Parent		Group	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Employee Expenses - Non-executive directors	**146**	133	**146**	133
Employee Expenses - Staff & Executive directors	**245,540**	219,431	**245,540**	219,431
Supplies and services - clinical (excluding drug costs)	**31,279**	31,539	**31,279**	31,539
Supplies and services - general	**17,129**	15,039	**17,129**	15,039
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	**29,503**	29,295	**29,503**	29,295
Consultancy costs	**1,022**	609	**1,022**	609
Establishment	**9,620**	9,243	**9,620**	9,243
Premises	**6,043**	5,633	**6,043**	5,633
Transport (including staff and patient travel)	**1,398**	1,356	**1,398**	1,356
Depreciation on property, plant and equipment	**9,098**	8,539	**9,098**	8,539
Amortisation on intangible assets	**62**	62	**62**	62
Movement in credit loss allowance	**208**	(184)	**208**	(184)
Provisions arising / released in year	**(54)**	(10)	**(54)**	(10)
Audit fees payable to the External Auditor				
audit services- statutory audit1	**56**	51	**56**	51
other services: audit-related assurance services'	**2**	7	**2**	7
other auditor remuneration (external auditor only)	**0**	0	**0**	0
Audit fees payable re charitable fund accounts	**0**	0	**3**	3
Internal Audit Costs - not included in employee expenses	**85**	101	**85**	101
Clinical negligence (Insurance Premiums)	**10,917**	10,872	**10,917**	10,872
Legal fees	**173**	66	**173**	66
Insurance	**94**	94	**94**	94
Education and training - staff costs	**0**	235	**0**	235
Education and training - non-staff	**818**	847	**818**	847
Education and training - notional expenditure funded from apprenticeship fund	**346**	277	**346**	277
Rentals under operating leases - minimum lease receipts	**1,633**	1,046	**1,633**	1,046
Charges to operating expenditure for on-SoFP IFRIC 12 scheme on IFRS basis	**797**	596	**797**	596
Redundancy - (not included in employee expenses)	**0**	0	**0**	0
Car parking & Security	**728**	737	**728**	737
Hospitality	**3**	2	**3**	2

	Parent		Group	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Losses, ex gratia & special payments	**9**	12	**9**	12
Other services, eg external payroll	**285**	247	**285**	247
Grossing up consortium arrangements	**0**	0	**0**	0
NHS Charitable funds: Other resources expended	**0**	0	**593**	774
Other	**1,679**	(297)	**1,679**	(297)
TOTAL	**368,619**	**335,580**	**369,215**	**336,357**

*1 Excluding non-recoverable VAT.

4.1 Employee Expenses

(excluding non-executive directors)	2019/20 Permanent £000	2019/20 Other £000	2019/20 Total £000	2018/19 Permanent £000	2018/19 Other £000	2018/19 Total £000
Salaries and wages	156,807	28,248	**185,055**	143,367	25,859	169,226
Social security costs	16,686	2,391	**19,077**	14,588	2,820	17,408
Apprenticeship Levy	770	155	**925**	830	15	845
Pension costs - defined contribution plans Employers contributions to NHS Pensions	18,609	1,468	**20,077**	16,725	1,997	**18,722**
Pension cost - other	8,104	639	**8,743**	8	13	**21**
Agency/contract staff	0	15,411	**15,411**	0	16,323	**16,323**
Costs capitalised as part of assets	(3,345)	(403)	**(3,748)**	(2,155)	(724)	**(2,879)**
TOTAL (Employee expenses & Education & Training)	**197,631**	**47,909**	**245,540**	**173,363**	**46,303**	**219,666**

4.2 Average number of employees (WTE basis)

	2019/20 Permanent Number	2019/20 Other Number	2019/20 Total Number	2018/19 Permanent Number	2018/19 Other Number	2018/19 Total Number
Medical and dental	609	184	**793**	564	181	**745**
Administration and estates	786	90	**876**	804	98	**902**
Healthcare assistants and other support staff	578	328	**906**	560	281	**841**
Nursing, midwifery and health visiting staff	1,464	193	**1,657**	1,391	189	**1,580**
Nursing, midwifery and health visiting learners	5	0	**5**	7	0	**7**
Scientific, therapeutic and technical staff	428	11	**439**	400	13	**413**
Healthcare science staff	164	45	**209**	156	59	**215**
Other	3	0	**3**	3	0	**3**
Number of Employees (WTE) engaged on capital projects	(64)	(4)	**(68)**	(54)	(13)	**(67)**
TOTAL	**3,972**	**847**	**4,820**	**3,831**	**808**	**4,639**

4.3 Employee benefits

There were no employee benefits during either 2019/20 nor 2018/19.

4.4 Early retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There were 2 (2018/19: 3) retirements, at an additional cost of £27k (2018/19: £141k). This information has been supplied by NHS Pensions.

4.5.1 Senior Managers Remuneration

		2019/20		
Name and Title		Salary (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Chairman				
Simon Linnett	Chairman	40 to 45	n/a	40 to 45
Non Executive Directors				
Alison Clarke	Non-Executive Director (to July 2019)	5 to 10	n/a	5 to 10
Ninawatie Tiwari	Non-Executive Director (to September 2019)	5 to 10	n/a	5 to 10
Mark Versallion	Non-Executive Director	10 to 15	n/a	10 to 15
Denis Mellon	Non-Executive Director (to May 2019)	0 to 5	n/a	0 to 5
Simon Barton	Non-Executive Director	15 to 20	n/a	15 to 20
Mark Prior	Non-Executive Director	10 to 15	n/a	10 to 15
Annet Gammell	Non-Executive Director (from June 19)	5 to 10	n/a	5 to 10
Gill Lungley	Non-Executive Director (from June 19)	5 to 10	n/a	5 to 10
Richard Mintern	Non-Executive Director (from June 19)	5 to 10	n/a	5 to 10
Ian Mackie	Non-Executive Director (from June 19)	5 to 10	n/a	5 to 10
Executive Directors				
David Carter	Chief Executive	185 to 190	70 to 72.5	255 to 260
Cathy Jones	Deputy Chief Executive	130 to 135	75 to 77.5	210 to 215
Matthew Gibbons	Director of Finance	125 to 130	112.5 to 115	240 to245
Danielle Freedman	Chief Medical Advisor	165 to 170	0	165 to 170
Angela Doak	Director of Human Resources	125 to 130	50 to 52.5	175 to 180
Liz Lees	Chief Nurse	120 to 125	225 to 227.5	345 to 350
Catherine Thorne	Director of Quality & Safety Governance	110 to 115	45 to 47.5	155 to 160

Name and Title		2018/19 Salary (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Chairman				
Simon Linnett	Chairman	40 to 45	n/a	40 to 45
Non Executive Directors				
Alison Clarke	Non-Executive Director	15 to 20	n/a	15 to 20
Ninawatie Tiwari	Non-Executive Director	10 to 15	n/a	10 to 15
John Garner	Non-Executive Director (to October 2018)	5 to 10	n/a	5 to 10
Mark Versallion	Non-Executive Director	10 to 15	n/a	10 to 15
David Hendry	Non-Executive Director (to October 2018)	10 to 15	n/a	10 to 15
Denis Mellon	Non-Executive Director	10 to 15	n/a	10 to 15
Simon Barton	Non-Executive Director (from September 2018)	5 to 10	n/a	5 to 10
Mark Prior	Non-Executive Director (from October 2018)	5 to 10	n/a	5 to 10
Executive Directors				
David Carter	Chief Executive	180 to 185	75 to 77.5	255 to 260
Cathy Jones	Deputy Chief Executive	120 to 125	77.5 to 80	195 to 200
Andrew Harwood	Director of Finance (to January 2019)[1]	135 to 140	n/a	135 to 140
Matthew Gibbons	Director of Finance (Acting from January 2019)[1]	105 to 110	52.5 to 55	157.5 to 160
Danielle Freedman	Chief Medical Advisor	160 to 165	n/a	160 to 165
Angela Doak	Director of Human Resources	120 to 125	27.5 to 30	150 to 155
Sheran Oke	Director of Nursing (Acting to June 2018)	35 to 40	177.5 to 180	215 to 220
Liz Lees[2]	Chief Nurse (from June 2018)	95 to 100	20 to 22.5	115 to 120
Catherine Thorne	Director of Quality & Safety Governance (From Oct 2018)	55 to 60	82.5 to 85	135 to 140

1 Salary is for full year for all staff (including period when not voting Director)
2 Shared post with Bedford Hospital in 2018/19. Value stated reflects full cost.

For the purpose of this note Senior Managers are defined as being the Chief Executive, Non Executive Directors and Executive Directors i.e. Those individuals with voting rights.

4.5.2 Pension Benefits

	2019/20				
Name and title	Real increase in pension and related lump sum at age 60 (bands of £2,500)	Total accrued pension and related lump sum at age 60 at 31 March 2020 (bands of £2,500)	Cash Equivalent Transfer Value at 31 March 2020 £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Real Increase in Cash Equivalent Transfer Value £000
David Carter Chief Executive	2.5 to 5	170 to 172.5	994	906	88
Cathy Jones Deputy Chief Executive	5 to 7.5	87.5 to 90	398	339	59
Matthew Gibbons Director of Finance	12.5 to 15	100 to 102.5	491	398	93
Danielle Freedman[1] Chief Medical Advisor					
Angela Doak Director of Human Resources	2.5 to 5	190 to 192.5	1,136	1,057	79
Liz Lees Chief Nurse	40 to 42.5	190 to 192.5	1,006	23	984
Catherine Thorne Director of Quality & Safety Governance	2.5 to 5	165 to 167.5	990	921	69

	2018/19				
Name and title	Real increase in pension and related lump sum at age 60 (bands of £2,500)	Total accrued pension and related lump sum at age 60 at 31 March 2019 (bands of £2,500)	Cash Equivalent Transfer Value at 31 March 2019 £000	Cash Equivalent Transfer Value at 31 March 2018 £000	Real Increase in Cash Equivalent Transfer Value £000
David Carter Chief Executive	2.5 to 5	162.5 to 165	906	741	165
Cathy Jones Deputy Chief Executive	7.5 to 10	80 to 82.5	339	239	100
Andrew Harwood[1] Director of Finance (to January 2019)	-	-	-	-	-
Matthew Gibbons Director of Finance (Acting from January 2019)	5 to 7.5	85 to 87.5	398	309	89
Danielle Freedman[1] Chief Medical Advisor					
Angela Doak Director of Human Resources	0 to 2.5	185 to 187.5	1,057	924	133
Sheran Oke Director of Nursing (Acting to June 2018)	30 to 32.5	185 to 187.5	1,038	779	259
Liz Lees Chief Nurse (from June 2018)	0 to 2.5	0 to 2.5	23	0	23
Catherine Thorne Director of Quality & Safety Governance (From Oct 2018)	7.5 to 10	160 to 162.5	921	762	159

[1] No longer contributing to pension scheme

4.5.3 Median Pay Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2019/20	2018/19
Band of Highest Paid Director's Total Remuneration	180 to 185	180 to 185
Median Total*	**30,112**	**28,050**
Ratio	6.1	6.5

The highest paid director's remuneration remained the same 2019/20. Median pay increased.

* Excludes bank and agency staff

4.5.4 Staff Exit Packages

	2019/20		2018/19	
Exit package cost band (including any special payment element)	Total number of exit packages	Total cost of exit packages £'000	Total number of exit packages	Total cost of exit packages £'000
<£10,000	5	21	13	39
£10,001 - £25,000	0	0	2	23
£25,001 - 50,000	0	0	0	0
£50,001 - £100,000	0	0	0	0
£100,001 - £150,000	0	0	0	0
>£150,000	0	0	0	0
Total	**5**	**21**	**15**	**62**

	2019/20	2019/20	2018/19	2018/19
	Payments agreed	Total value	Payments agreed	Total Value
	Number	£'000	Number	£'000
Compulsory redundancies	0	0	0	0
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Contractual payments in lieu of notice	5	21	15	62
	5	**21**	**15**	**62**

4.5.5 Expenses of Governors and Directors

The Foundation Trust had a total of 33 (33 in 2018/19) governors in office in 2019/20. 8 (10 in 2018/19) of these governors received expenses in 2019/20, with aggregate expenses paid to governors of £1,106 (£1,185 in 2018/19).

The Foundation Trust had a total of 18 (18 in 2018/19) directors in office in 2019/20. 6 (10 in 2018/19) of these directors received expenses in 2019/20, with aggregate expenses paid to directors of £2,901 (£6,018 in 2018/19)

5.1 Operating leases

	2019/20 £000	2018/19 £000
Minimum lease payments	1,633	1,046
TOTAL	**1,633**	**1,046**

5.2 Arrangements containing an operating lease

Future minimum lease payments due:	2019/20 £000 Land	2019/20 £000 Buildings	2019/20 £000 Other	2019/20 £000 Total	2018/19 £000 Total
- not later than one year;	81	241	134	**456**	368
- later than one year and not later than five years;	326	929	97	**1,352**	1,094
- later than five years.	562	1,871	0	**2,433**	2,342
TOTAL	**969**	**3,041**	**231**	**4,241**	**3,804**

The Trust does not have any significant leasing arrangements.

5.3 Limitation on auditor's liability

There is £1m limitation on the auditors liability.

5.4 The late payment of commercial debts (interest) Act 1998

£0k was paid in respect of the late payment of commercial debts (interest) Act 1998 (£0k in 2018/19)

5.5 Other Audit Remuneration

No expenditure was incurred with the external audit provider in respect of tax advice in 2019/20 or 2018/19.

5.6 Impairment of assets (PPE & intangibles)

No impairments have been charged to expenditure in either 2018/19 nor 2019/20.

6.1 Finance income

	Parent		Group	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Interest on instant access bank accounts	274	222	274	222
Interest on held-to-maturity financial assets	0	0	0	0
NHS Charitable funds: investment income	0	0	52	60
TOTAL	**274**	**222**	**326**	**282**

6.2 Finance costs - interest expense

	Parent		Group	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Capital loans from the Department of Health	378	396	378	396
Interest on late payment of commercial debt	0	0	0	0
Finance Costs in PFI obligations				
Main Finance Costs	636	656	636	656
Unwinding of discount on provisions	(3)	1	(3)	1
TOTAL	**1,011**	**1,053**	**1,011**	**1,053**

7.1 Intangible Assets 2019/20

	Software Licenses £000	Total £000
Cost or valuation at 1 April 2019 as previously stated	536	**536**
Additions - purchased	0	**0**
Cost or valuation at 31 March 2020	536	**536**
Amortisation at 1 April 2019 as previously stated	475	**475**
Provided during the year	61	**61**
Amortisation at 31 March 2020	536	**536**
Net book value		
NBV - Owned at 31 March 2020	0	**0**
NBV total at 31 March 2020	0	0

7.2 Intangible Assets 2018/19

	Software Licenses £000	Total £000
Cost or valuation at 1 April 2018 as previously stated	536	**536**
Additions - purchased	0	**0**
Cost or valuation at 31 March 2019	536	**536**
Amortisation at 1 April 2018 as previously stated	412	**412**
Provided during the year	63	**63**
Amortisation at 31 March 2019	475	**475**
Net book value		
NBV - Owned at 31 March 2019	61	**61**
NBV total at 31 March 2019	61	61

8.1 Property, plant and equipment 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019 as previously stated	12,270	86,335	633	17,543	37,862	4,106	19,309	231	**178,289**
Additions - purchased (including donated)	0	2,940	66	20,498	4,344	211	144	15	**28,218**
Revaluations	2,636	(12,939)	(139)	0	0	0	0	0	**(10,442)**
Reclassifications	0	13,915	0	(14,050)	0	(235)	370	0	**0**
Disposals1	0	0	0	0	(434)	0	(12)	0	**(446)**
Cost or valuation at 31 March 2020	**14,906**	**90,251**	**560**	**23,991**	**41,772**	**4,082**	**19,811**	**246**	**195,619**
Accumulated depreciation at 1 April 2019 as previously stated	0	3,008	11	0	24,125	2,868	11,625	209	41,846
Provided during the year	0	3,602	14	0	2,761	325	2,392	4	9,098
Revaluations	0	(6,610)	(25)	0	0	0	0	0	**(6,635)**
Disposals1	0	0	0	0	(405)	0	(10)	0	**(415)**
Accumulated depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**26,481**	**3,193**	**14,007**	**213**	**43,894**
Net book value									
NBV - Owned at 31 March 2020	14,906	76,257	534	23,991	13,422	889	5,798	33	135,830
NBV - PFI at 31 March 2020	0	12,168	0	0	1,146	0	0	0	13,314
NBV - Donated at 31 March 2020	0	1,826	26	0	723	0	6	0	2,581
NBV total at 31 March 2020	**14,906**	**90,251**	**560**	**23,991**	**15,291**	**889**	**5,804**	**33**	**151,725**

[1] No assets used in the provision of commissioner requested services were disposed of during the year.

8.2 Property, plant and equipment 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018 as previously stated	12,270	78,737	375	11,208	31,034	3,900	16,333	232	**154,089**
Additions - purchased (including donated)	0	3,966	258	12,476	6,910	206	467	0	**24,283**
Reclassifications	0	3,632	0	(6,141)	0	0	2,509	0	**0**
Disposals[1]	0	0	0	0	(82)	0	0	(1)	**(83)**
Cost or valuation at 31 March 2019	**12,270**	**86,335**	**633**	**17,543**	**37,862**	**4,106**	**19,309**	**231**	**178,289**
Accumulated depreciation at 1 April 2018 as previously stated	0	0	0	0	21,738	2,484	8,942	205	**33,369**
Provided during the year	0	3,008	11	0	2,449	384	2,683	4	**8,539**
Disposals[1]	0	0	0	0	(62)	0	0	0	**(62)**
Accumulated depreciation at 31 March 2019	**0**	**3,008**	**11**	**0**	**24,125**	**2,868**	**11,625**	**209**	**41,846**
Net book value									
NBV - Purchased at 31 March 2019	12,270	69,376	611	17,543	12,114	1,238	7,677	22	120,851
NBV - PFI at 31 March 2019	0	12,029	0	0	751	0	0	0	**12,780**
NBV - Donated at 31 March 2019	0	1,922	11	0	872	0	7	0	**2,812**
NBV total at 31 March 2019	**12,270**	**83,327**	**622**	**17,543**	**13,737**	**1,238**	**7,684**	**22**	**136,443**

[1] No assets used in the provision of commissioner requested services were disposed of during the year.

8.3 Economic life of property, plant and equipment

	Min Life Years	Max Life Years
Land	n/a	n/a
Buildings excluding dwellings	0	140
Dwellings	0	77
Assets under Construction & POA	n/a	n/a
Plant & Machinery	0	15
Transport Equipment	0	7
Information Technology	0	8
Furniture & Fittings	0	10
Intangible Software Licenses	0	8

9 Other Property Plant & Equipment Disclosures

The Trust received £245k of donated property, plant and equipment from the charitable funds associated with the hospital.

The Trust entered into a 10 year contract for the provision of medical records in February 2013. Due to the length of the contract, the expected life of the equipment in question and, on the basis that the equipment is solely used by this Trust, the Trust has recognised this equipment as property plant and equipment. The value of this equipment as at 31 March 2020 was £901k.
In December 2018 the trust entered into a 10 year managed service bed contract. This arrangement included the replacement of beds which at the end of the contract transfer ownership to the trust. Given the length of the contract and the transfer of ownership the trust has recognised the beds delivered as at 31 March 2020 as property plant and equipment. The value of this equipment as at 31 March 2020 was £1,146k.

The Trust's estate, encompassing land and buildings was revalued as at 31 March 2020. This valuation was completed by Gerald Eve LLP, professional valuers in accordance with the RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust. The Directors' opinion is that there are no property plant or equipment where the value is significantly different from the value included in the financial statements.

Land was valued using existing use value methodology at £14,906k using the concept of economic substitution of the service utility of the asset.

Given the specialised nature of the buildings the majority of the estate has been valued using depreciated replacement cost based on modern equivalent assets at a value of £90,251k.

There are various small assets which are temporarily idle, although not for sale, where the period for which the asset is idle is uncertain these have had their depreciation accelerated and are held on the Statement of Financial Position at values reflecting their short remaining economic lives.

10.1 Non-current assets for sale and assets in disposal groups

The Trust held no non-current assets for sale nor assets in disposal groups in 2018/19 or 2019/20.

10.2 Liabilities in disposal groups

The Trust held no liabilities in disposal groups in 2018/19 nor 2019/20.

11 Investments

	Parent		Group	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
NHS Charitable funds: Other investments				
Carrying value at 1 April 2019	0	0	1,620	2,216
Acquisitions in year - other	0	0	614	950
Fair value gains/ (losses) - taken to I&E	0	0	(137)	102
Disposals	0	0	(422)	(1,648)
Carrying value at 31 March 2020	0	0	1,675	1,620

12 Associates & Jointly Controlled Operations

The NHS foundation trust is the corporate trustee to Luton & Dunstable Hospital Charitable Funds. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation 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 main financial statements disclose the NHS organisation's financial position alongside that of the group (which is the NHS organisation and the NHS charity). The NHS charity's accounts, which have been prepared in accordance with UK Financial Reporting Standard (FRS) 102, can be found on the Charity Commission website and are summarised in note 23 to these accounts.

As the accounting policies applicable to both the Trust and the Charitable Funds are consistent no adjustment other than intra-group transactions has been required. The Trust had no other associates nor jointly controlled operations in 2018/19 nor 2019/20.

13.1 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	**975**	971
Consumables*	**2,756**	2,762
TOTAL INVENTORIES	**3,731**	**3,733**

* It should be noted that due to COVID-19 pressures it was not possible to perform stocktakes as at 31 March 2020 for all stock areas. Given that this is not material to the accounts where it has not been possible to complete a stocktake the previous year value has been used as a proxy to the value held at 31 March 2020.

13.2 Inventories recognised in expenses

	2019/20 £000	2018/19 £000
Additions	**50,365**	50,164
Inventories recognised in expenses	**(50,367)**	(49,852)
MOVEMENT IN INVENTORIES	**(2)**	**312**

14.1 Trade receivables and other receivables

	Parent		Group	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Contract receivables (IFRS 15): invoiced	**13,514**	20,011	**13,514**	20,011
Contract receivables (IFRS 15): not yet invoiced / non- invoiced	**19,756**	20,524	**19,756**	20,524
Accrued income	**0**	0	**0**	0
Allowance for impaired contract receivables / assets	**(191)**	(71)	**(191)**	(71)
Allowance for impaired other receivables	**(463)**	(457)	**(463)**	(457)
Prepayments	**4,006**	3,821	**4,006**	3,821
Prepayments - Lifecycle replacements	**44**	44	**44**	44
PDC Dividend Receivable	**156**	0	**156**	0
VAT receivable	**1,114**	878	**1,114**	878
Other receivables	**185**	207	**161**	170
NHS Charitable funds: Trade and other receivables	**0**	0	**33**	47
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	**38,121**	**44,957**	**38,130**	**44,967**
Non-Current				
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	**726**	1,106	**726**	1,106
Prepayments	**1,340**	1,558	**1,340**	1,558
Prepayments - PFI related	**219**	263	**219**	263
Clinician Pension Tax Provision Reimbursement	**67**	0	**67**	0
TOTAL NON CURRENT TRADE AND OTHER RECEIVABLES	**2,352**	**2,927**	**2,352**	**2,927**

14.2 Allowances for credit losses (doubtful debts) 2019/20

	Contract receivables and contract assets £000	All other receivables £000	Total £000
At 1 April 2019	71	457	528
Changes in the calculation of existing allowances	202	6	208
Reversals of allowances (where receivable is collected in-year)	(82)	0	(82)
Utilisation of allowances (where receivable is written off)	0	0	0
At 31 March 2020	**191**	**463**	**654**

14.3 Allowances for credit losses (doubtful debts) 2018/19

	Contract receivables and contract assets £000	All other receivables £000	Total £000
At 1 April 2018	0	852	852
Impact of IFRS 9 (and IFRS 15) implementation on 1 April 2018 balance	437	(437)	0
Changes in the calculation of existing allowances	(116)	42	(74)
Reversals of allowances (where receivable is collected in-year)	(110)	0	(110)
Utilisation of allowances (where receivable is written off)	(140)	0	(140)
At 31 March 2019	**71**	**457**	**528**

14.4 Finance lease receivables

During 2019/20 the Trust did not have any finance lease receivables.

15 Other assets (Non Current)

	31 March 2020 £000	31 March 2019 £000
PFI Scheme - lifecycle costs	**2,138**	2,287
Total	**2,138**	**2,287**

16.1 Trade and other payables

	Parent		Group	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Trade payables	**12,984**	12,228	**12,984**	12,228
Trade payables - capital	**5,093**	5,247	**5,093**	5,247
Accruals	**10,273**	7,063	**10,273**	7,063
Receipts in advance	**25**	3	**25**	3
Social Security costs	**5,338**	5,171	**5,338**	5,171
Other payables	**713**	777	**713**	777
PDC Dividend Payable	**0**	315	**0**	315
NHS Charitable funds: Trade and other payables	**0**	0	**40**	48
TOTAL CURRENT TRADE & OTHER PAYABLES	**34,426**	**30,804**	**34,466**	**30,852**

There were no non current trade or other payables at either 31 March 2019 or 31 March 2020.

Trade and other payables do not include any outstanding pension contributions due to NHS Pensions Agency as at 31 March 2020.

17 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred Income	**779**	597
TOTAL OTHER CURRENT LIABILITIES	**779**	**597**

There are no non current other liabilities in 2018/19 nor 2019/20.

18 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Bank overdrafts	10	0
Capital loans from Department of Health	878	878
Other loans	0	4
Obligations under Private Finance Initiative contracts/ service concessions	843	786
TOTAL CURRENT BORROWINGS	**1,731**	**1,668**
Non-current		
Capital loans from Department of Health	16,299	17,134
Other loans	0	0
Obligations under Private Finance Initiative contracts/ service concessions	9,641	10,064
TOTAL OTHER NON CURRENT LIABILITIES	**25,940**	**27,198**

19. Finance lease obligations

The Trust had no finance lease obligations during 2019/20 other than the PFI scheme arrangement and the service concession disclosed in Note 20.1.

20.1 PFI and Service Concession obligations (on SoFP)

	31 March 2020 £000	31 March 2019 £000
Gross PFI liabilities	14,119	15,122
of which liabilities are due		
- not later than one year;	1,518	1,422
- later than one year and not later than five years;	5,974	5,812
- later than five years.	6,627	7,887
Finance charges allocated to future periods	(3,635)	(4,271)
Net PFI liabilities	**10,484**	**10,851**
- not later than one year;	843	786
- later than one year and not later than five years;	4,092	3,729
- later than five years.	5,549	6,335

20.2 The Trust is committed to make the following payments for on-SoFP PFIs and Service Concession obligations during the next year in which the commitment expires:

	31 March 2020 Total £000	31 March 2019 Total £000
Within one year	2,282	2,226
2nd to 5th years (inclusive)	9,513	9,285
Later than 5 years	10,829	13,490
Total	**22,624**	**25,001**

The Trust incurred £589k expenditure in respect of the service charge under the PFI contract (£527k in 2018/19) and £208k was incurred in relation to the service concession (bed contract). These were separately disclosed as 'Charges to operating expenditure for on-SoFP IFRIC 12 schemes on IFRS basis' in Note 3.1 .

21 Provisions for liabilities and charges

Parent	Current		Non-current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Pensions relating to other staff	**60**	63	442	559
Other legal claims	**216**	179	0	0
Other	**0**	10	67	0
Total	**276**	**252**	**509**	**559**

Group	Current		Non-current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Pensions relating to other staff	**60**	63	**442**	559
Other legal claims	**216**	179	**0**	0
Redundancy	**0**	0	**0**	0
Other	**0**	10	**67**	0
NHS charitable fund provisions	**627**	585	**0**	0
Total	**903**	**837**	**509**	**559**

	Pensions - other staff	Other legal claims	Redundancy	Other	NHS charitable fund provisions	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2019	**622**	**179**	**0**	**10**	**585**	**1,396**
Arising during the year	(0)	169	0	67	0	236
Utilised during the year	(63)	(36)	0	0	0	(99)
Reversed unused	(54)	(96)	0	(10)	0	(160)
Unwinding of discount	(3)	0	0	0	0	(3)
NHS charitable funds: movement in provisions	0	0	0	0	42	42
At 31 March 2020	**502**	**216**	**0**	**67**	**627**	**1,412**
Expected timing of cashflows:						
- not later than one year;	60	216	0	0	627	903
- later than one year and not later than five years;	261	0	0	67	0	328
- later than five years.	181	0	0	0	0	181
TOTAL	**502**	**216**	**0**	**67**	**627**	**1,412**

Provisions for legal claims represents the gross estimated liability from employer and public liability cases. These cases are managed by NHS Resolution through the LTPS scheme, the amount of the provision recoverable from NHS Resolution is included within debtors.

£197,702k is included in the provisions of the NHS Resolution at 31/03/2020 in respect of clinical negligence liabilities of the Trust (31/03/2019 £165,159k).
Other provisions relate to various provisions for trading and employment contractual issues (all less than £1m).

22 Revaluation reserve

	Revaluation Reserve -property, plant and equipment £000	Total Revaluation Reserve* £000
Revaluation reserve at 1 April 2019	11,914	**11,914**
Revaluation Impact	(3,807)	**(3,807)**
Other Movements	0	**0**
Revaluation reserve at 31 March 2020	**8,107**	**8,107**
Revaluation reserve at 1 April 2018	11,914	**11,914**
Revaluation Impact	0	**0**
Other Movements	0	**0**
Revaluation reserve at 31 March 2019	**11,914**	**11,914**

* The Trust held no revaluation reserve in respect of intangible assets.

23 Charitable Funds Summary Statements

As per Note 12, below summarises the NHS Charity's accounts which have been consolidated within the Group's accounts in accordance with IAS 27.

	Subsidary 2019/20 £000	Subsidary 2018/19 £000
Statement of Financial Activities/ Comprehensive Income		
Incoming resources	**1,349**	1,866
Resources expended	**(887)**	(1,260)
Net resources expended	**462**	**606**
Incoming Resources: investment income	**51**	60
Fair value movements on investments	**(137)**	102
Net movement in funds	**376**	**768**

	31 March 2020 £000	31 March 2019 £000
Statement of Financial Position		
Non-current assets	**1,675**	1,620
Current assets	**2,946**	2,605
Current liabilities	**(691)**	(671)
Non-current liabilities	**0**	0
Net assets	**3,930**	**3,554**
Funds of the charity		
Endowment funds	**0**	0
Other Restricted income funds	**3,076**	2,374
Unrestricted income funds	**854**	1,180
Total Charitable Funds	**3,930**	**3,554**

24 Cash and cash equivalents

	Parent		Group	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
At 1 April (as previously stated)	**34,767**	36,400	**37,324**	37,716
Net change in year	**7,639**	(1,633)	**7,995**	(392)
At 31 March	**42,406**	34,767	**45,319**	37,324
Broken down into:				
Cash at commercial banks and in hand	**0**	99	**0**	99
NHS charitable funds: cash held at commercial bank	**0**	0	**2,913**	2,557
Cash with the Government Banking Service	**42,406**	34,668	**42,406**	34,668
Cash and cash equivalents as in SoFP	**42,406**	34,767	**45,319**	37,324
Cash and cash equivalents as in SoCF	**42,406**	34,767	**45,319**	37,324

It should be noted that £10k is included in borrowings as 'bank overdrafts'.

The Trust held £4k cash at bank and in hand at 31/03/20 which relates to monies held by the Trust on behalf of patients.

25.1 Contractual Capital Commitments

The Trust had contractual capital commitments totalling £5.8m at 31 March 2020.

25.2 Events after the reporting period

On 1 April 2020, the trust acquired Bedford Hospital NHS Trust to form Bedfordshire Hospitals NHS Foundation Trust. The Director of Finance authorised the financial statements for issue on May 2020. There were no other events arising after the end of the reporting period up to this date which qualifies for disclosure.

26. Contingent (Liabilities) / Assets

	31 March 2020 £000	31 March 2019 £000
Gross value of contingent liabilities	**65**	66
Net value of contingent liabilities	**65**	66
Net value of contingent assets	**0**	0

Contingent liabilities relate to claims that the NHS Litigation Authority (NHS Resolution) is aware of and has requested that we disclose.

27 Related Party Transactions

The Luton & Dunstable Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the NHS Foundation Trust.

All bodies deemed to be within the remit of the United Kingdom 'Whole of Government' are regarded as related parties. During the year the Trust has had significant transactions with the bodies disclosed in this note.

The Trust is the Corporate Trustee for the Charitable Funds, the transactions for which have been consolidated within these financial statements in accordance with IAS 27.

	Income 2019/20 £000	Expenditure 2019/20 £000	Income 2018/19 £000	Expenditure 2018/19 £000
NHS and DH	**£000**	**£000**	£000	£000
Bedfordshire CCG	**87,354**	**0**	79,684	0
Buckinghamshire CCG	**4,197**	**0**	3,680	0
Department of Health	**22**	**4,212**	10,152	3,523
Health Education England	**10,074**	**3**	9,583	3
Herts Valleys CCG	**26,516**	**0**	24,510	0
Luton CCG	**150,798**	**0**	140,053	0
NHS England: East Commissioning Hub	**39,542**	**0**	34,282	0
NHS England: East of England Regional Office	**10,214**	**0**	10,399	0
NHS England: Core	**17,059**	**0**	18,556	0
NHS Resolution (Previously NHS Litigation Authority)	**0**	**10,927**	0	10,873
Central Government				
HM Revenue and Customs	**0**	**21,010**	0	18,799
National Health Service Pension Scheme	**0**	**28,820**	0	18,722

	Receivables 31 March 2020 £000	Payables 31 March 2020 £000	Receivables 31 March 2019 £000	Payables 31 March 2019 £000
Related Party Balances				
NHS and DH	**£000**	**£000**	£000	£000
Bedfordshire CCG	**2,092**	**0**	4,693	0
Buckinghamshire CCG	**577**	**0**	478	0
Department of Health	**156**	**0**	7,300	0
Health Education England	**744**	**0**	2,588	0
Herts Valleys CCG	**397**	**0**	0	0
Luton CCG	**2,605**	**0**	2,856	0
NHS England: East Commissioning Hub	**9,186**	**0**	839	0
NHS England: East of England Regional Office	**87**	**0**	303	0
NHS England: Core	**5,326**	**0**	11,485	0
NHS Resolution (Previously NHS Litigation Authority)	**0**	**8**	0	4
Central Government				
HM Revenue and Customs	**1,114**	**5,338**	878	5,171
National Health Service Pension Scheme	**0**	**2,883**	0	2,635

28.1 For PFI schemes deemed to be off-SoFP

The Trust ended the off SoFP PFI scheme relating to the provision of the electronic patient record system in 2011/12. There are no transactions within either 2018/19 or 2019/20 relating to an off-SoFP PFI scheme.

Note 28.2 Further narrative on PFI schemes/ Service Concession Arrangements

The Trust had two capital schemes arranged under PFI arrangements, one of these ended in 2011/12.

1. St Mary's Wing scheme was completed in 2003 under a 27 year scheme with 10 years remaining. The operator is responsible for maintaining the building during this period and ownership reverts to the Trust at the end of the contract. There are no break clauses nor re-pricing dates (On-SoFP)

2. The contract for the electronic patient record scheme has now finished. This contract was for 10 years.

There were no new PFI schemes in the year and any future schemes are unlikely as they would be funded either through internally generated resources or external financing using the additional freedoms granted to Foundation Trusts.

During 2018/19 the Trust entered into a 10 year bed contract (service concession). As the beds provided under the contract revert to the Trust's ownership at the end of the contract the beds have been recognised under IFRIC 12.

29.1 Financial assets by category

	Parent		Group	
	Loans and receivables	Total	Loans and receivables	Total
	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2020 under IFRS 9				
Trade and other receivables excluding non financial assets (at 31March 2020)	29,071	29,071	29,071	29,071
Cash and cash equivalents (at bank and in hand (at 31 March2020))	42,406	42,406	42,406	42,406
NHS Charitable funds: financial assets (at 31 March 2020)	0	0	4,621	4,621
Total at 31 March 2020	**71,477**	**71,477**	**76,098**	**76,098**
Carrying values of financial assets as at 31 March 2019 under IAS 39				
Trade and other receivables excluding non financial assets (at 31 March 2019)	33,561	33,561	33,561	33,561
Cash and cash equivalents (at bank and in hand (at 31 March 2019))	34,767	34,767	34,767	34,767
NHS Charitable funds: financial assets (at 31 March 2019)	0	0	4,224	4,224
Total at 31 March 2019	**68,328**	**68,328**	**72,552**	**72,552**

Financial Assets risk split by category	Market Risk	Credit Risk	Liquidity Risk
NHS receivables	Low	Low	Low
Accrued income	Low	Low	Medium
Other debtors	Low	Low	Medium
Cash at bank and in hand	Low	Medium	Low

Overall risk is low, as the Trust limits foreign currency transactions, thus limiting market risk.

The Trust has a robust, audited, debt management policy that mitigates against the debtor liquidity risk. The Trust mitigates the cash credit risk by investing only in line with the NHS Improvement compliant Treasury Management Policy.

29.2 Financial liabilities by category

	Parent		Group	
	Other financial liabilities £000	Total £000	Other financial liabilities £000	Total £000
Carrying values of financial liabilities as at 31 March 2020 under IFRS 9				
Borrowings excluding finance lease and PFI liabilities (at 31 March 2019)	17,187	**17,187**	17,187	17,187
Obligations under PFI, LIFT and other service concession contracts (at 31 March 2019)	10,484	**10,484**	10,484	10,484
Trade and other payables excluding non financial liabilities (at 31 March 2019)	28,375	**28,375**	28,375	28,375
IAS 37 provisions which are financial liabilities	717	**717**	717	717
NHS Charitable funds: financial liabilities (at 31 March 2019)	0	**0**	667	667
Total at 31 March 2020	**56,763**	**56,763**	**57,430**	**57,430**
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9				
Borrowings excluding finance lease and PFI liabilities (at 31 March 2018)	18,016	**18,016**	18,016	18,016
Obligations under Private Finance Initiative contracts (31 March 2018)	10,850	**10,850**	10,850	10,850
Trade and other payables excluding non financial liabilities (31 March 2018)	25,227	**25,227**	25,227	25,227
IAS 37 provisions which are financial liabilities	811	**811**	811	811
NHS Charitable funds: financial liabilities (31 March 2018)	0	**0**	634	634
Total at 31 March 2019	**54,904**	**54,904**	**55,538**	**55,538**

Financial Liabilities risk split by category	Market Risk	Credit Risk	Liquidity Risk
NHS creditors	Low	Low	Low
Other creditors	Low	Low	Low
Accruals	Low	Low	Low
Capital creditors	Low	Low	Low
Provisions under contract	Low	Low	Low

Overall risk is low, as the Trust limits foreign currency transactions, thus limiting market risk.
All major contractors are credit checked prior to the awarding of the contract, thus limiting credit risk.
The Trust mitigates the liquidity risk via 12 month forward cash planning.

29.3 Maturity of Financial Liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	31,490	28,340
In more than one year but not more than two years	1,901	1,756
In more than two years but not more than five years	5,703	5,485
In more than five years	18,336	19,957
Total	**57,430**	**55,538**

29.4 Fair values of financial assets at 31 March 2020

The fair value of the Trust's financial assets were the same as the book value as at 31 March 2020 (and 31 March 2019).

29.5 Fair values of financial liabilities at 31 March 2020

The fair value of the Trust's financial liabilities were the same as the book value as at 31 March 2020 (and 31 March 2019).

30.1 On-Statement of Financial Position pension schemes.

The Trust has no more on Statement of Financial Position Pension Scheme transactions.

30.2 Off-Statement of Financial Position pension schemes.

NHS Pension Scheme

See Note 1.3 for details of the accounting treatment of the NHS Pension Scheme.

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 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.

30.3 Off-Statement of Financial Position pension schemes (cont.)

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

National Employment Savings Trust (NEST)
The Trust offers employees an alternative pension scheme, NEST. This is a defined contribution, off statement of financial position scheme and the number of employees opting in and the value of contributions have been negligible (£75k employers contribution costs in year.)

31 Losses and Special Payments

	2019/20 Total number of cases Number	2019/20 Total value of cases £000's	2018/19 Total number of cases Number	2018/19 Total value of cases £000's
LOSSES:				
1. a. Losses of cash due to theft, fraud etc	0	0	1	0
3.a. Bad debts and claims abandoned in relation to private patients	66	26	73	14
3.b. Bad debts and claims abandoned in relation to overseas visitors	0	0	45	63
3.c. Bad debts and claims abandoned in relation to other	0	0	93	3
4.a Damage to buildings, property etc. due to theft, fraud etc	1	0	0	0
TOTAL LOSSES	**67**	**26**	**212**	**80**
SPECIAL PAYMENTS:				
7.a Ex gratia payments in respect of loss of personal effects	19	9	24	11
7.g Ex gratia payments in respect of other	8	1	7	1
TOTAL SPECIAL PAYMENTS	**27**	**10**	**31**	**12**
TOTAL LOSSES	**94**	**36**	**243**	**92**

There were no compensation payments received.

32 Discontinued operations
There were no discontinued operations in 2019/20.

33 Corporation Tax
Corporation Tax is not due as the Trust is below the de minimis threshold as per the HMRC 'Guidance on the Tax Treatment of Non-core Healthcare Commercial Activities of NHS Foundation Trusts'.

34 Segmented Operations
The Trust operates in one segment, that of the provision of healthcare, as reported to the Chief Operating Decision Maker, the Board.

35 Foundation 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 surplus for the period was £10,732k (2018/19: £22,631k). The trust's total comprehensive income for the period was £6,925k (2018/19 comprehensive income: £22,631k).

Luton & Dunstable University Hospital
NHS Foundation Trust
Lewsey Road Luton LU4 0DZ
Telephone 01582 49 11 66
www.ldh.nhs.uk