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Gloucestershire Hospitals
NHS Foundation Trust

Annual Report and Accounts 2020–2021

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Gloucestershire Hospitals NHS Foundation Trust

Annual Report and Accounts 2020/21

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

GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST: ANNUAL REPORT AND ACCOUNTS 2020/21

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Copies of the Annual Report and Financial Statements are available for inspection at Trust Headquarters, Cheltenham General Hospital, Alexandra House, Sandford Road, Cheltenham, GL53 7AN Or visit the Trust website: www.gloshospitals.nhs.uk

1. MESSAGE FROM THE CHAIR

In presenting this year's Annual Report for Gloucestershire Hospitals NHS Foundation Trust 2020/21, I feel profoundly moved by the events of the last year and the way our staff, patients, families and the whole community responded. In a year like no other and touched by such tragedy the scale of which will continue to emerge over the months and years ahead, many positives, or silver linings as we came to term them, emerged.

At the onset of the pandemic, knowing that COVID-19 would claim the lives of some of our loved ones, we consciously wanted to commemorate each life lost. *Every Name A Person* was our pledge to recognise every life lost was a life lived. Our commitment was to learn something new that really mattered to each patient so that in their final moments they didn't feel alone. It is this compassion which has helped so many people and why so many members of the public we serve hold us in high esteem. If anything this pandemic has only renewed our vigour to develop a truly compassionate culture which enshrines the principles of inclusion – both for colleagues and our local community alike.

What has become increasingly apparent one year into the pandemic are the new ways of working, which have been fast forwarded in the NHS by 10 years or so. Perhaps the most obvious example being the way in which we've adopted digital technology, offering virtual appointments or virtual environments in which to engage with people. I was determined that we should not impact the effectiveness of our strong governance, at a time when it was arguably needed most and the use of virtual meetings enhanced our ability to be both more efficient and more connected. The clear benefits of working in such a way are no longer the preserve of the future – instead they are being realised today and will be part of the mix in the way we operate in the future.

Without doubt this could only have been achieved through the collective spirit of colleagues who, in the face of the unknown, responded agilely and innovatively. It also required leadership and bold decisions. The way in which we re-organised services across both our sites at Cheltenham General and Gloucestershire Royal Hospitals to reduce transmission rates among colleagues and patients also ensured we were able to deliver vital life-saving cancer surgery and access to diagnostic tests at a time when other large hospitals in neighbouring metropolitan areas had stopped. Therefore we should take great pride in delivering more than 95% of urgent cancer appointments throughout the year within two weeks of referral and 2020 being the year in which, for the first time since 2014, we delivered all eight national cancer waiting standards.

Equally we wanted to make progress against the strategic vision set by our Board to transform care in our hospitals by 2024. Our Journey to Outstanding has as a key component of the delivery of Centres of Excellence with specialist services innovating, developing and thriving in their pursuit of world-class service provision and care for our patients at both our hospital sites in Cheltenham and Gloucester. Under the banner of One Gloucestershire's Fit for the Future we harnessed the power of technology to stage an extensive consultation throughout the winter combining virtual and traditional face to face techniques, in line with social distancing

measures, to engage with thousands of members of the public. The proposals were approved by the Governing Body of the Clinical Commissioning Group in March (2021).

We've also taken significant steps in digitalising our patient record with our new Electronic Patient Record going live across both sites. This not only improves continuity of care but it also frees up clinical time to care, and is in itself an incredibly important leap forward as part of our commitment to invest in technologies available to us.

Throughout this our governors have remained active and highly functional as an important and influential partner and for this I thank them. We made the decision to continue functioning as a representative body during the pandemic which afforded us their insight, scrutiny and independent evaluation. We also held a virtual election resulting in record levels of interest and as strong a representative Council of Governors as I've worked with in my time here at the Trust.

Utilising digital technology we also staged a virtual Annual Members' Meeting in the autumn. We broadcasted live from our education centre in Gloucester and found that we had reached a whole new audience. To date the broadcast has been viewed more than 2,000 times.

Equally our charity has had a tremendous year which began with the launch of the COVID-19 Rapid Relief Appeal which set up depots on both hospital sites to receive and distribute donated goods for staff and patients. The charity also received the most donated income ever at £2.4m and in July 2020 launched a new strategy to maximise impact for patients and staff, launch a major capital appeal for the Gloucestershire Cancer Institute and build strong relationships with key charity partners. Thank you to everyone who has supported the charity so generously this year.

The year has also stress tested our and partners' ability to work together collaboratively and the results were impressive. This bodes very well for us all as we seek to address the benefits to health and care provision that this type of approach can deliver. We look forward to continuing to work ever more closely with them throughout the coming 12 months and the years beyond.

In drawing to a close, I must share my strongest possible thanks, and acknowledgement of the efforts of our Chief Executive, Deborah Lee, the whole Executive Director team and to every one of our colleagues who have been simply magnificent – I am just so proud of this valiant group of people!

While the pandemic will continue to impact on all of our daily lives, I remain optimistic about the future. With the right strategies in place and our renewed vigour in continuously developing our cultural journey, I believe we can get ever closer to our full potential in delivering against our vision of the Best Care for Everyone.

Signed: 

Peter Lachecki
Chair **29 June 2021**

2. MESSAGE FROM THE CHIEF EXECUTIVE

Introduction

I am pleased to introduce the 2020/21 Annual Report of Gloucestershire Hospitals NHS Foundation Trust. Whilst NHS Foundation Trusts are required to publish an Annual Report, we aim to make this so much more than just a mandated report. It is about celebrating our achievements in the last year, describing what we have learnt and how these insights will improve the experience of our patients, their families and our staff. However, this year, it is a report with a difference; a report that that reflects a year like no other. As I penned last year's message, we had just seen our first few cases of coronavirus and could not have imagined the year that lay ahead.

The Year Just Gone

For decades to come, 2020/21 will be marked by the pandemic that affected every corner of the globe, every sector of society and billions of individuals. At 31 March 2021, the global death toll stands at [1]2,769,969 and 949 people in Gloucestershire lost their lives to COVID-19, with the ripples of these deaths reaching far and wide. Sadly, the legacy of this pandemic will cast a long shadow for many years to come; a reach that goes far beyond health care to the determinants of future good health and prosperity – education, employment, environment, wellbeing and opportunity. Of considerable concern, is the apparent "discriminatory" nature of the virus; it has not affected us all equally with ethnic minorities being disproportionately affected; those with a learning disability have had poorer outcomes and those in older age groups, particularly those living in care homes, have been especially impacted. One phrase summed up this picture of inequity, for me "we have all been in the same storm, but we were not all in the same boat".

As a Board, at the outset of the pandemic we set ourselves three guiding principles and these have served us very well throughout the pandemic.

- *Preserve life*
- *Protect staff*
- *Prevent spread*

The sickest patients in our care have been shown to have had outcomes better than the national picture and very positively including those most at risk such as patients from ethnic minorities and those with a learning disability, who have also fared better under our care than nationally - I'd like to take this opportunity to reiterate my thanks to my dedicated and talented colleagues. At times, our team working in critical care had the very difficult job of caring for their close colleagues; I can say, without hesitation, that I would not have wanted their lives in any others hands and count my blessings every day that I was not one of the Chief Executives that had to announced the tragic and untimely death of a colleague.

However, whilst there is much to mourn, in my mind this year will also be characterised as the year in which the NHS Gloucestershire family rose to their

[1] World Health Organisation data

greatest ever challenge and shone. Compassion and care for each other flourished; going the extra mile for our patients and their families became the norm; new leaders emerged; innovation became the solution to intractable problems and we took some bold decisions that served us well at the time and will continue to do so.

One of the characteristics of the year was the pace and agility with which the organisation, services, teams and individuals responded to the unknown. Within days of the pandemic being declared and the national lockdown proposed, our digital teams had enabled hundreds of staff to work from home through deployment of a *virtual desktop* which not only enabled administrative staff to continue working from their own homes, with secure access all of the Trust's systems, but it enabled our clinicians to consult with patients, albeit virtually, and thus continue to deliver essential care through the rapid deployment of a platform that wasn't intended to be launched until 2022. Clinical colleagues supported by their managers and enabled by our digital experts delivered the impossible including delivering more than 95% of urgent cancer appointments throughout the year within two weeks of referral and 2020 being the year in which, for the first time since 2014, the Trust delivered all eight national cancer waiting standards.

Many of the innovations and approaches we pioneered in the last year were recognised nationally with two initiatives in particular, standing out in my mind. Firstly, the development of our "yellow lanyards" team; our respiratory specialist doctors, nurses and therapists who within days of Government declaring a pandemic, had developed an e-learning resource and "roaming" team of experts to up-skill those about to be central to the care of hundreds of patients with a hitherto unknown but serious respiratory condition. This model of care and the educational tools were shared with Trusts throughout England – the team went on to win the Nursing Times Clinical Team of the Year. Similarly, the work of our Infection Prevention and Control (IPC) Team, including input to national specialist bodies from Trust IPC experts became nationally respected and the Personal Protective Equipment (PPE) Safety Officer role was an innovation adopted by many other Trusts.

A new disease brought to the fore the importance of research and evaluation and by the second wave of the pandemic we were already improving outcomes through the use of existing drugs such as dexamethasone, as a result of evaluation in the first wave. Our research team and investigators changed tack almost overnight and Gloucestershire was quickly at the forefront of recruiting patients and staff into a number of urgent public health studies. I made my own small contribution to building the evidence base for the future by participating in the SIREN Study for the last nine months.

Through a series of temporary service changes we were able to redesign the way we delivered care to ensure that patients were managed in as safe a way as possible and that the risks to staff were kept to an absolute minimum. This required staff to work in different ways, on different sites and even in different services and everyone rallied around a common cause. Surgeons who couldn't operate supported ward teams, administrative staff stepped in to support our incident management team and help ward staff freeing them up to spend more time with sick, often anxious patients who were unable to receive visitors – a particular highlight came from a student dental nurse who took to Twitter with pride having spent a shift on one of our COVID-

19 wards helping patients and their loved ones connect using iPads, provided by the Trust charity, to help loved ones stay in touch through “virtual visiting”.
I have already described the number of people whose lives were irrevocably changed during the pandemic, by the death of someone close to them. Whilst the vast majority of these deaths were attributed to COVID-19, others lost loved ones too and all of these people were impacted by the necessary constraints on visiting and social distancing. One of the things I am most proud of is the way in which we rose to this new challenge. *Every Name A Person* captured our pledge to ensure that nobody who died during the pandemic, would be seen as a statistic. We pledged to recognise that every person we treat in our hospitals and in our communities has a story; whilst we may have had little time to get to know each person, we committed to learn something about them that mattered the most, to provide comfort throughout their final days and endeavour to ensure they were not alone in their final moments. This pledge was brought to life through the symbolism of a dandelion - one placed with the patient and one given to their loved one; this theme will be a central part of our commemorations this year.

Every name is a person - Every person a life lived - Every life a story behind it

Unsurprisingly, the focus on the health and wellbeing of our staff has been at the forefront of our minds throughout the pandemic. Our communities were truly phenomenal in stepping up to both recognise and support NHS staff and other key workers, from *Claps For Carers* on a Thursday evening to the mountains of “goodies” which local business and individuals bestowed upon us. I cannot overstate the positive impact that this recognition and support had on the wellbeing of all of us, whether it was access to a hot meal at the end of a long shift or an inspiring message of support via social media.

As well as the support of our communities, our own 2020 Staff Support and Advice Hub came into its own, offering guidance, support or signposting on more than 13,000 occasions. The small team moved to operate seven days a week during the peak of the pandemic, running late into every evening ensuring that staff knew how to navigate practical hurdles such as access to COVID-19 testing, childcare or accommodation so they could be close to the hospital should they be needed. In addition to this, the Hub was able to signpost colleagues to specialist psychological support, as well as being a regular touchstone for those staff who were absent from work due to COVID-19 or shielding from the risks. Our *Psychological Link Workers* became the envy of many Trusts as we redeployed our highly skilled clinical psychologists to work alongside those working on the front line providing them with coping strategies or helping them surmount new challenges such as breaking bad news to a family member via the telephone.

However, this year hasn’t just been about surviving a pandemic and, as such, I am especially proud of the progress we have made on many of our strategic objectives – as a Board this was something that we were determined to achieve. For example;

- More than a decade on from the first discussions about the configuration of services across our two hospital sites, we developed a vision that embraces our two hospitals as an opportunity to be seized rather than a problem to manage. We launched our vision of two Centres of Excellence – one for planned care at

Cheltenham General Hospital and one for emergency care at Gloucestershire Royal. Six months of public and staff engagement enabled us to better understand what matters to local people and colleagues; these views considerably shaped the final proposals considered and supported by the Trust Board and our commissioner Gloucestershire Clinical Commissioning Group, in March 2021.

- In March 2020 as the pandemic landed, we held our nerve and proceeded with our plans to commence the digitisation of our patient health records. This decision not only served us well in the short term through our ability to continually monitor, in real time, the sickest patients on our general wards but was subsequently seen as central to the case we made nationally to expedite our digital journey and which went on to secure an additional £3m of investment in our digital programme over the next three years.

- Whilst this year has very much been centred on our people and their phenomenal contribution and personal resilience, it has also shone a light on the shortcomings of some of our buildings as we've strived to deliver "COVID-19 secure care". To this end, in partnership with Gloucestershire Managed Services, Trust colleagues have continued to progress our strategic site development scheme and in February 2021 the Board approved the Full Business Case (FBC) for the investment of £44.5m in our two sites to modernise and extend areas of our estate supporting planned care at Cheltenham General and urgent care at Gloucestershire Royal.

- There was no place where the shortcomings of our estate appeared most conspicuously, as they did in our oncology centre. Throughout the pandemic, the oncology team were determined to continue to offer chemotherapy and radiotherapy care to all those who needed it but to do this in a way that didn't expose patients or staff to the risks of coronavirus; as a result, they had to completely change the way they worked and the location of many of their services. However, whilst they rose to the challenge superbly, it was a year that affirmed the importance of our plans to develop the *Gloucestershire Cancer Institute* and within that the development of the Oncology Centre on the Cheltenham site. With this ambition at the forefront of our minds, we embarked upon the development of a case and fundraising appeal to raise £10m+ to complete phase one of the transformation of the centre to one where the quality of the environment is befitting of the quality of care delivered within it, by our outstanding cancer teams.

- We have continued our commitment to being an organisation characterised by an inclusive culture and compassionate behaviours towards each other, our patients and their families. In Autumn last year, we commenced a partnership with an external party to better understand why some groups of staff report a less good experience of working in the Trust than others; we are well advanced in our understanding of the areas where we need to make further improvements and "Board to ward" work is underway to ensure we are an organisation that embraces the diversity of its workforce, and those it serves, and one that is truly inclusive of that diversity. This will remain one of the organisation's highest priorities in the coming year.

The Year Ahead

We enter 2021/22 with many positives in our sights. Community cases of COVID-19 are falling, the numbers of patients in our beds is in single figures and there are no COVID-19 patients in our critical care departments. The national vaccination programme has been an unprecedented success and I am especially proud that Gloucestershire has remained at the forefront of this success with more than 50% of the adult population now vaccinated by 31 March 2021. It is clear that the world has been altered by this pandemic, with much chat about finding a "new normal" and never was this sentiment more relevant than in the NHS. We will start the year with commemorating all that we have lost, as well as what we have found, during this most unprecedented year and start the journey towards defining the "new normal" for Gloucestershire Hospitals. We are committed to embracing all that we have learnt from this most difficult of years whilst also embracing the innovation and new ways of working that not only served us well during the pandemic but will continue to do so in the years ahead. The Board has reviewed our ten strategic objectives, in the light of the impact and legacy of the last year, and confirmed they remain as relevant going forward as when they were established in 2019. The "golden threads" of compassion, inclusion and excellence will remain the things that guide all that we do.

Thank you

It serves for me to thank you, the reader, for everything that you have brought to the Trust whether as a colleague, a governor, a partner, a public member or a patient. We have risen to challenges that couldn't even have been imagined a year ago, let alone conquered. It has been the greatest privilege of my career to lead the Trust during the past year and whilst, undoubtedly, the shadow on COVID-19 will be long and lasting, I have every confidence that we will continue to support and serve each other with the compassion, competence, dedication and humility that has characterised 2020.

I thank each and every one of you, from the bottom of my heart, for what you have done but equally what you will do for us in the year to come.

Formal bit

And finally, the formal bit – I can confirm that, to the best of my knowledge, the information included in this report has been subject to all appropriate scrutiny and validation checks and as such represents a true picture of the Trust's activities and achievements in respect of quality.

Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

3. PERFORMANCE REPORT

3.1 OVERVIEW

The purpose of this section of the report is to give the reader a short summary that provides them with sufficient information to understand the Trust, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

3.2 BACKGROUND TO THE TRUST

Gloucestershire Hospitals NHS Foundation Trust received authorisation on 1 July 2004. It was formed from Gloucestershire Hospitals NHS Trust, which was established following a reconfiguration of health services in Gloucestershire in 2002.

The Trust provides acute hospital services from two large district general hospitals, Cheltenham General Hospital (CGH) and Gloucestershire Royal Hospital (GRH). Maternity Services are also provided at Stroud Maternity Hospital. Outpatient clinics and some surgery services are provided by Trust staff from community hospitals throughout Gloucestershire. The Trust also provided services at the satellite oncology centre in Hereford County hospital.

3.3 STRUCTURE OF THE TRUST

Council of Governors

The Council of Governors has an important role to play in the governance of a Foundation Trust. When Parliament created NHS foundation trusts, it provided them with independence from central government and a governance structure that ensured participation from the local communities they serve. NHS foundation trust governors are the direct representatives of local interests. Governors do not undertake operational management of Trusts; rather they challenge Non-Executive Directors (NEDs) individually and collectively to hold them to account for the Trust's performance. Additionally, the Governors' Governance and Nominations Committee is responsible for advising the Council on the appointment of NEDs and appraisal of the Chair.

Governors have a responsibility to represent the interests of the public and members in their constituencies (including staff members), particularly in relation to the strategic direction of the Trust and provide input and feedback to support the strategy development. The Board has agreed to have governor observers at Board Committee meetings to add a governor perspective to their business.

Board of Directors

The strategic direction of the Trust is set, and its business governed, by the Board of Directors, who (subject to the Constitution) exercise all the powers of the Trust. The Board of Directors may delegate any of its powers to a committee of Directors

or to an Executive Director. Exceptionally the Board has reserved issues set out in Standing Financial Instructions and Standing Orders for Board level decision.

The Directors have collective responsibility for:

- Setting the strategic direction for the Trust
- Providing leadership and governance within a framework of effective controls
- Providing accountability to Governors and being responsible to Members and stakeholders
- Understanding and managing the operational, business and financial risks to which the Trust is exposed
- Monitoring the work undertaken and the effectiveness of the formal Board Committees
- Reviewing the performance of the senior management team.

Management Structure

The Trust's management structure is based around Divisions. These are designed to support and facilitate delegation of decision making to clinical teams and to enable more involvement of clinical leaders in strategic issues. The composition of each Division is summarised below.

DIVISION COMPOSITION – SERVICE LINES		
WOMEN & CHILDREN		
• Acute Paediatrics • Clinical Genetics • Community Paediatrics	• Gynaecology • Midwifery • Obstetrics	• Special Care Baby Unit (SCBU) / Neonatal Intensive Care Unit (NICU)
SURGERY		
• Anaesthetics • Breast • Chronic & Acute Pain Services • Colorectal	• Critical Care • Ear/Nose & Throat (ENT) • Ophthalmology • Oral & Maxillo Facial	• Theatre & Day Surgery Trauma & Orthopaedics • Upper Gastrointestinal (GI) • Urology • Vascular
MEDICINE		
• Acute Medicine • Cardiology • Dermatology • Diabetes • Emergency	• Department Endoscopy • Gastroenterology • General Old Age Medicine	• Neurology • Rehabilitation • Renal Services • Respiratory • Rheumatology
DIAGNOSTIC & SPECIALIST		
• Clinical Haematology • Dietetics • Health Psychology • Health Records • Infection Control • Medical Photography	• Medical Physics • Oncology • Outpatients and Booking Services • Palliative Care • Pathology	• Pharmacy • Physiotherapy Services • Private Patients/Overseas Patients • Radiology

CORPORATE SERVICES		
• Business Development • Business Intelligence • Clinical Audit • Contracting • Corporate Governance *(Trust Secretary)* • Finance *(including Payroll)* • Human Resources	• IT Services • Legal Services • Nursing Management • Marketing and Communications • Patient Experience *(including Complaints & PALS)*	• Procurement • Programme Management • Research and Development • Safety *(including Emergency Planning)* • Strategy and Planning
GLOUCESTERSHIRE MANAGED SERVICES[2]		
• Catering and Domestic Services • Energy Management & Sustainability	• Gloucestershire Hospitals Parking (GHP) Contract	• Property Services & Medical Engineering • Support Services
GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST GENERAL CHARITABLE FUND[3]		
• Fund raising	• Grant giving	

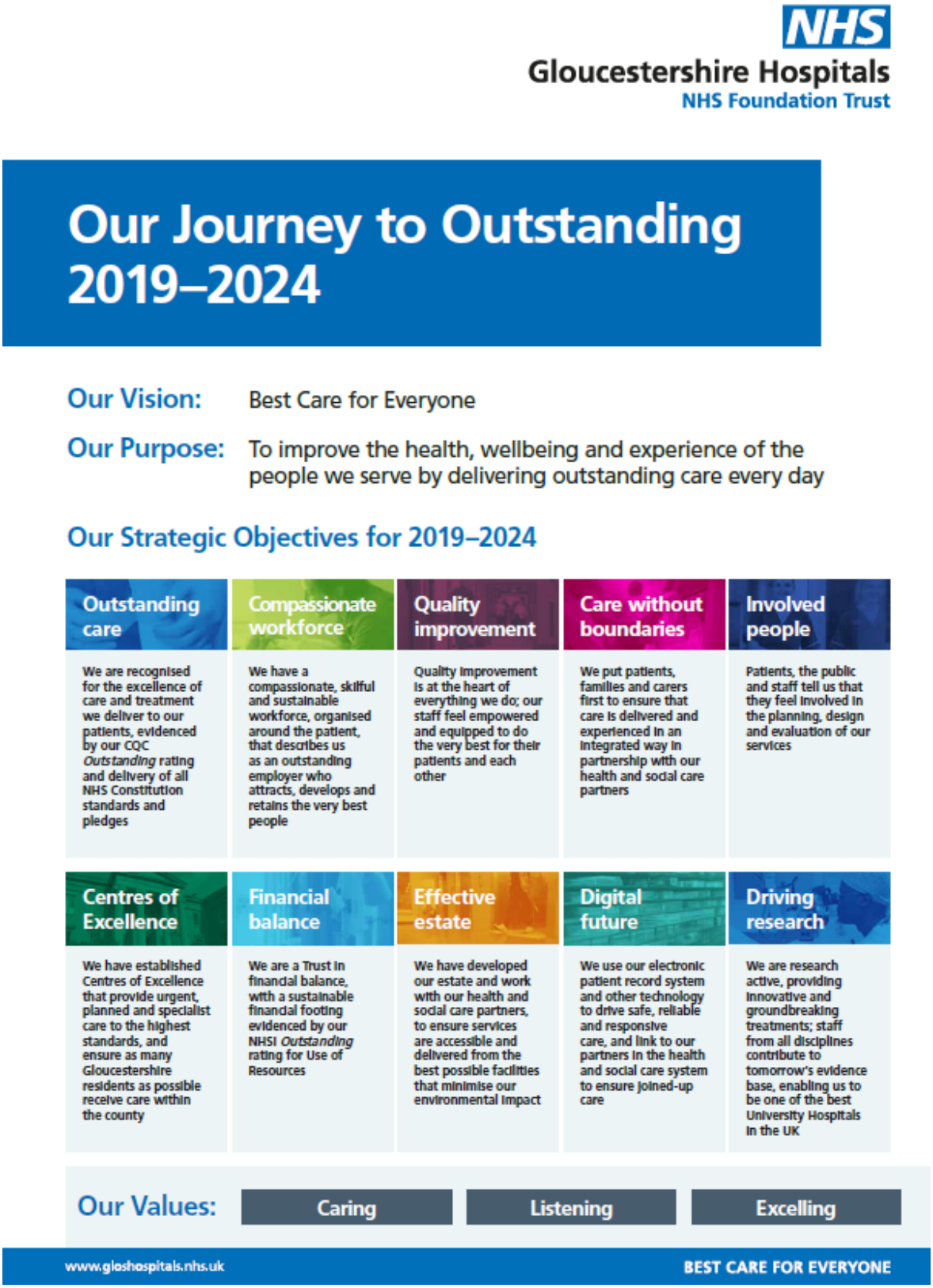
3.4 VISION, PURPOSE AND STRATEGIC OBJECTIVES

This is the second year of our 2019 – 24 five-year Trust Strategy, summarised in the figure below. This is supported by an animated film which describes our ambition and priorities. It is available here to view: https://www.gloshospitals.nhs.uk/about- us/our-trust/who-we-are-and-what-we-do/

[2] *Gloucestershire Managed Services is the trading name of Gloucestershire Hospitals Subsidiary Company. It replaced the Estates and Facilities department on 1 April 2018.*

[3] *The Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund is an independent registered charity (registered number 1051606). Cheltenham and Gloucester Hospitals Charity is the registered working name for the Charity. See 3.15 for further details.*

Fig: Our Journey to Outstanding



Our strategic intent is to provide outstanding **care through two thriving but distinct hospital sites** and, as a lead provider within an Integrated Care System (ICS), through a range of community facilities and integrated models of care.

We want to be a Hospital Trust **patients, families and carers recommend and staff are proud to be part of.**

We will be a **collaborative ICS partner** to ensure patients, families, carers, staff and other stakeholders benefit from the value a high performing, high energy acute Trust can bring to this partnership.

We have **no plans to merge with other organisations** but we recognise that as the ICS develops, partners may need to adapt their organisational form to ensure opportunities to improve patient experience and outcomes, staff experience and value for money do not get delayed. For example by ensuring the timescale and flexibility of our decision making processes align.

We will continue to provide acute and specialist care for residents of Gloucestershire and adjacent regions; Herefordshire, South Worcestershire, Wiltshire, and where it is the right thing to do for patients, and this can be supported by a strong clinical and financial business case, **we will work with commissioners, providers and clinical networks in these regions to secure and extend our clinical service offer.**

We want the quality of care we provide to be **rated Outstanding by the Care Quality Commission (CQC)** and our use of resources to be rated **Outstanding by NHS Improvement.**

We believe becoming an accredited **University Hospital Trust, or Integrated Care System (ICS)** will increase our capacity and capability to deliver Best Care for Everyone and are committed to exploring the best way to achieve this.

Our Values:

During 2020-21 the Trust continued to build upon the engagement sessions held with colleagues on our values and specifically the behaviours linked to these.

Our Values underpin everything we do and describe the way we expect staff to behave towards patients, their families and carers, and colleagues. We have three values, described below in the words of patients:

Caring - Patients said: "Show me that you care about me as an individual. Talk to me, not about me. Look at me when you talk to me."
Colleagues said ‘I am welcoming, I will introduce myself, I will treat others with kindness, civility and respect. I will show you compassion and help you’

Listening - Patients said: "Please acknowledge me, even if you can't help me right now. Show me that you know that I'm here."
Colleagues said ‘I will give you my attention and acknowledge you, I will understand and give you feedback and respond to your needs.’

Excelling - Patients said: "I expect you to know what you're doing and be good at it." Colleagues said 'I will do my best, I will make suggestions to make improvements, I will take responsibility and show pride in my work and encourage others to do the same.'

Our ambition has been to focus on embedding a compassionate culture and this was incredibly important during the COVID-19 pandemic. We sought feedback on our values and colleagues co-created a behavioural framework which supported the compassionate leadership framework devised by the Kings Fund of being: Attentive, understanding, empathetic and helping. The expected behaviours that support this framework is shown in the next figure:

Fig: Behaviours Framework

our behaviours

I am
attentive

#hello my name is…

- I am welcoming and introduce myself to everyone I meet
- I give you my full attention when we communicate with one another, and I acknowledge your perspective
- When you explain, challenge or ask me something, I will listen and respond accordingly
- I say thank you and I recognise everyone's contributions

our behaviours

I am
understanding

- I check we both understand one another, and that you know I have listened to you
- I invite feedback on what could be better. I am open to discussion and other views
- I respond flexibly to different communication needs and give you time to express yourself
- I seek to understand what matters to others and respect when their priorities are different from my own

our behaviours

I am
empathetic

- I am respectful, kind and treat all others fairly
- I am caring towards others and try to understand without judgement
- I encourage and support all colleagues to make suggestions on how we can improve our work
- I always try to make a positive difference to my colleagues and our patients

our behaviours

I am
helpful

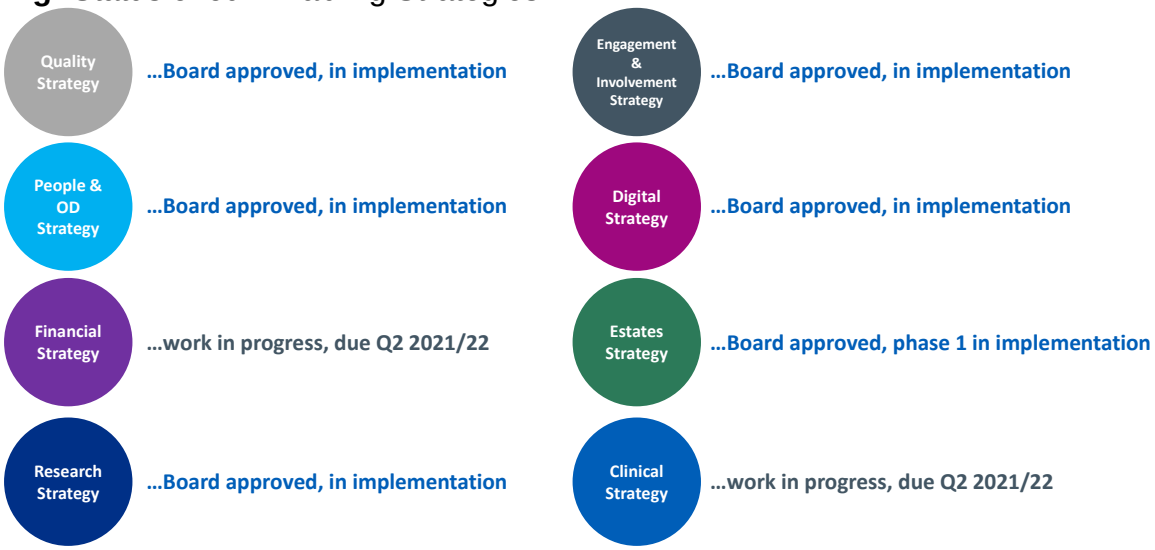
- I offer support and encouragement to colleagues and patients
- I can be trusted to take action whenever someone needs help, or when something needs putting right
- I take responsibility and reflect on my actions and behaviours to help me to improve
- I call out wherever I witness unlawful discrimination, bullying or harassment; and I support those who experience it

Our Enabling Strategies:

The strategy is being delivered through eight enabling strategies and six of the eight have been approved by the Trust Board and are in implementation, see figure below. Progress against agreed milestones and outcomes are overseen by the relevant Trust Delivery Group and Board Committee, for example for our People and Organisational Development (OD) Strategy is overseen by the People and OD Delivery Group and People and OD Committee.

The two remaining enabling strategies will be published in Q2 2021/22. Following Trust Board and Gloucestershire Clinical Commissioning Group Governing Body approval in March 2021 of the centres of excellence strategy and specialist acute service reconfigurations described in the Fit for the Future programme, these changes form the basis of our Clinical Strategy, alongside other clinical priorities such as establishing the Gloucestershire Cancer Institute. Our Financial Strategy will reflect the priorities and timescales of the other strategies and is on plan to be produced in Q2 2021/22.

Fig: Status of our Enabling Strategies



2019 - 2024 Strategic Plan: Progress in Years 1 & 2

The World Health Organisation (WHO) declared COVID-19 as a global Pandemic in March 2020 and the Pandemic continued throughout the period of this Annual Report. To respond to the Pandemic required a significant shift in organisational priorities and use of resources that impacted on our ability to deliver some, but not all, of the strategic priorities planned for year two. The figure below summarises the Trust's learning, experience and focus in 2020/21.

Fig: Learning, experience and focus of 2020/21

Progress in 2020/21 against our ten strategic objectives is summarised below:

Outstanding Care

- Care Quality Commission (CQC) overall rating 'Good'; 'Caring' domain rated as 'Good' with 'Outstanding' Critical Care
- Continued to develop our approach to the adoption of Genomic medicine through our engagement with the laboratory hub in Bristol, and our own clinical pathways.
- Many examples of colleagues being recognised nationally for their exceptional compassion and innovation over the last year, including:
  - Our Respiratory Skill's Yellow Lanyard Team won the Nursing Times Respiratory Care Award for their rapid response to ensuring that we were able to deliver appropriate skills to respiratory patients wherever they were in the organisation
  - Advanced Nurse Practitioners in the neonatal unit won HQUIP Florence Nightingale Nurse of the Year awards for their Neonatal Infant Physical Examination (NIPE) improvement project aimed at reducing avoidable delays in hospital discharge for mothers & new babies
  - The PPE Safety Officer role, which was introduced at the Trust to support effective use of PPE and to support any queries or concerns, and was subsequently rolled out at a number of other Trusts across the country, was a runner up at the Nursing Times Awards
  - Two nurses have been shortlisted in theBAME Nurse of the Year category at the National BAME Health and Care Awards 2021
  - The learning technology team at the Trust has been named Learning and Development Team of the Year, at the fifth Our Health Heroes Awards, for their rapid delivery of an eLearning package that helped ensure more staff had the skills to care for people with respiratory problems, within days of the COVID-19 outbreak
  - Homeless Specialist Nurse won the PENNA award in the Using Insight for Improvement to Improve Integrated Care category for the Homeless Guidelines and is now on the NICE committee for Homelessness
  - The Maternity Adverse Childhood Experiences project (ACEs) has been

published in the British Journal of Midwifery

- PALs service now accessible via video call using *Attend Anywhere*
- Patient Support Services Hub opened seven days a week to support patients and relatives to offer letters and photos to be delivered to loved ones. Since the service was set up on 3 April 2020, we have taken over 3000 calls, delivered over 1100 messages, letters and photos to patients on our wards, and collected over 4500 belongings from relatives unable to visit our patients.
- We have continued to make significant progress in the reduction of C. difficile infection. Over the past year we have seen a further 32% reduction in hospital-onset cases. Whilst this is common across the country during the pandemic we have seen increased deep cleans and enhanced IPC practices.
- The Trust has been an active participant in a South West collaboration to reduce surgical site infection in colorectal surgery called PreciSSIon – we saw a reduction in GRH colorectal elective SSI rates from 14.6% to 8.5%
- E. coli bacteraemia has reduced 48.6% reduction and we have had no MRSA bacteraemia for over a year
- The Corporate Nursing Team have started working together to deliver a new Vulnerabilities Framework, focused on delivering the best possible care to our most vulnerable and complex patients
- The Learning Disability Steering Group has been reformed and immediate learning from COVID-19 has been disseminated to partners. We have completed the National Learning Disability LD standards audit for this year, and have incorporated the results into our longer term improvement plans
- The Trust has appointed its first ever Admiral Nurse to help coordinate care and provide expert guidance for dementia patients, their carers and families. This role is a joint role between Gloucestershire Hospitals NHS Foundation Trust and Dementia UK.
- Launch of the Every Name is a Person (ENAP) Campaign across the One Gloucestershire system as part of our pledge to continue providing compassionate end of life care, recognising that every person we treat in our hospitals and in our communities has a story. Relatives were supported with our Dandelion initiative, which will continuing as part of our Commemorative Garden
- The Safeguarding Hub has been developed and embedded using a 'Think Family' approach, virtual training programme developed and we are participating in the SHarED project with WEASHN looking at management of High Impact Users of Emergency Departments and subsequent services.

Compassionate Workforce

- The Pandemic saw the 2020 hub extend their opening hours and provide additional support to struggling colleagues. The hub had around 13,000 staff contacts between March 2020 – 2021.
- Turnover has reduced to benchmark with peers in the top quartile with an overall vacancy rate of 6.07% and a Doctor Vacancy rate of 1.43%.
- The number of apprenticeships has increased by 10%. The Trust now has 268 apprentices and the range of qualifications has increased from 34 to 41.
- Staff absence rates now match Model Hospital best performing peers.
- Collaboration with Higher Education Institutions continues with the development of a new degree pathway in radiography and an increase in student placements by 30% in 2019/20 to over 650.
- Health and Wellbeing services continue to develop with new Psychological link workers, the roll out of Trauma Risk Management (TRiM), resilience training and

on line counselling.

- Compassionate Leadership modules have commenced for all colleagues who manage and supervise others and our behavioural framework underpins our ambition to embed a compassionate culture
- Our charity continues to support the health and well-being of our colleagues by funding wobble rooms, upgrading staff rest areas and providing meals and boost bags during COVID-19.
- We have supported the inclusion agenda with new resources, commencing a 'Big Conversation' with staff on their experiences and developing mentoring, coaching, and stepping up programmes for diverse colleagues.

Quality Improvement

- Developed and led the COVID-19 'Silver Linings' process and outputs, highlighted as an exemplary approach within the region.
- Gloucestershire Safety and Quality Academy (GSQIA) Silver and Bronze programme was maintained during COVID-19, delivered virtually.
- Three Improvement Collaboratives are planned, including one for use of Electronic Patient Record.
- GSQIA supported *Improvers without Borders* programme and supported the ICS to develop a new End of Life strategy using a co-design approach.
- Improvement plans have been developed in key quality areas of Falls, Pressure Ulcers, Deteriorating patient.
- The *Human Factors Faculty* has been formed as part of the GSQIA, virtual training has been tested. The faculty has undertaken multiple Never Event Investigations and a detailed trend analysis.
- Further face to face training is being developed based on the findings from investigations.
- A formalised Human Factors (HF) programme of education is also under development.

Care Without Boundaries

- Active support of the county's Vulnerable Patients helpline during COVID-19 first wave.
- Increased system participation in developing ICS level planning responses.
- Gold, Silver and Bronze structure established to respond to COVID-19 Pandemic to design and deliver an ICS level response.
- COVID-19 Virtual Ward established to enable appropriately risk assessed patients to remain at home or in the community with care overseen by GPs.
- Clinical Programme Groups continued to develop integrated care pathways, removing duplication and delay for patients, carers and families.
- Continued leadership and partnership in the One Gloucestershire Integrated Care System (ICS), including Trust involvement in Integrated Locality Partnerships, Primary Care Networks.

Involved People
➢ Board approved Engagement, Involvement & Communication Strategy ➢ Socially distanced public consultation process completed as part of Fit for the Future with over 1,000 local people and 350 staff involved. ➢ Consultation included 75 consultation events and 20 Interactive Facebook Live events which reached over 140,000 people with over 700 people completing the consultation survey. ➢ The consultation was Quality Assured as 'Good Practice' by the Consultation Institute. ➢ 3,519 colleagues completed the Annual NHS Staff Survey, with 70% recommending the Trust as a place to receive care and 64% recommending it as a place to work. ➢ The Trust has an active Diversity Network, including three sub-groups; LBGTQ+, BAME and Disability and which regularly engages colleagues on key issues. ➢ The Trust has established the Gloucestershire Hospitals VCS (Voluntary & Community Sector) Involvement Network, bringing together representative organisations across the county. ➢ Delivered a comprehensive review on Widening Participation across the Trust with staff engaged on how to improve the experience of colleagues from a diverse background. ➢ 15 Collective leadership Councils set up to engage nursing and midwifery colleagues using the Pathways to Excellence standards including shared decision making.
Centres of Excellence
➢ Fit for the Future programme (that incorporates our centres of excellence vision) completed all required NHS England & Improvement milestones necessary to proceed to public consultation, which ran from October 2020 to January 2021 ➢ Decision Making Business Case (DMBC) approved by Trust Board and CCG Governing Body in March 2021. ➢ Fit for the Future implementation planning now underway – programme will be implemented over next two to three years.
Financial Balance
➢ Cost Improvement Programme (CIP) paused due to COVID-19 pandemic. ➢ 2021/22 CIP planning in line with previous years, financial target is to breakeven. ➢ Good governance in place and monitored through regular Division 'deep dives' with Executives and Programme Management Office (PMO) to increase and sustain pace ➢ Trust cash position remains strong but will become a challenge if financial deficit position is not supported nationally. ➢ Future Focus Finance level 2 accreditation achieved by the finance team demonstrating good support to the Trust. ➢ Good financial governance in place with regular financial training, monitoring and check/challenge through executive reviews. ➢ Staff retention rate of 86.3% is 1.8% higher than the NHS Improvement (NHSI) Recommended Peer Group (84.5%) and consistent with the National Peers as at December 2020. ➢ Sickness absence rate of 4.4% still lower than both the NHSI Recommended Peer (5.0%) and National Peer (5.1%) as at December 2020. ➢ Increased supply routes for key roles and developed more bank staff networks.

Effective Estate

Board Approved Full Business Case (FBC) to support Phase one of our Estates Strategy (Strategic Site Development Programme). The FBC was submitted to NHS England & Improvement in February 2021. On 18 June, the Trust received confirmation that the Full Business Case had been approved by the Department for Health and Social Care (DHSC) and NHS England and Improvement (NHSEI).

- Subject to FBC approval, construction work to begin on our Strategic Site Development Programme in summer 2021.
- Work started on defining Phase 2 of our Estates Strategy
- £6.25M of capital secured in 2020/21 to improve Urgent & Emergency Care and Critical Care estate.
- Following declaration of a climate emergency in 2019/20, the Trust secured £13.7m of Salix grant funding to reduce carbonisation.

Digital Future

- Year 1 of Digital Strategy complete and on target with five year plan.
- Sunrise Electronic Patient Record (EPR) nursing documentation, patient observations and electronic ordering of pathology and radiology tests now embedded in all adult inpatient areas. Ordering of tests now live in women's and children's inpatient areas.
- Sunrise EPR has realised quality and financial benefits, releasing more time for nursing staff to care for patients and giving clinicians access to patient information, wherever and whenever they need it.
- More than 2,000 staff enabled to work from home, access to essential COVID-19 information provided to partners in social care and primary care via Electronic Patient Record.
- Creation of award-winning COVID-19 reporting and information dashboard.
- Won major project go live award for Sunrise EPR launch.
- This year has seen the acceleration of the roll out of "Attend Anywhere" outpatient appointment visiting, ensuring that patients can continue to access the services they need even with restrictions in our hospitals. The rollout has been successful, with patients consistently reporting positive experience of their outpatient appointments throughout the year.
- Named by NHS England as a Digital Aspirant, attracting additional £6m funding over three years.

Driving Research

- One of the highest recruiting Trusts in the region to COVID-19 research studies with more than 3600 participants recruited to COVID-19 studies alone.
- Active recruiter to observational, treatment and vaccine trials for COVID-19 contributing to changes in policy and treatments.
- Endorsement by the ICS Board to explore University Health and Social Care System status.
- Strengthened links with West of England Academic Health Science Network (AHSN) and Applied Research Collaborative (ARC) West.
- Increased research collaboration with Gloucestershire Health and Care NHS Foundation Trust and University of Gloucestershire.
- Increased number of commercially engaged clinicians and resulting commercial studies.

Temporary Service Changes

A key element of the Integrated Care System (ICS) response to the COVID-19 Pandemic was the implementation of a number or temporary service changes designed to:

- Limit the risk of transmission of the virus to patients and staff;
- Enable planned care and cancer diagnosis and treatment to continue, especially to those patients who are most vulnerable;
- Give confidence to our local population that both our hospitals are safe places to visit;
- Ensure NHS colleagues are supported to continue providing care throughout the pandemic and to minimise the impact of COVID-19 related staff absence on service delivery.

All changes were implemented with support and agreement from Gloucestershire Health Overview & Scrutiny Committee (HOSC), using an agreed Memorandum of Understanding (MOU) for service change.

The changes were implemented in three phases:

Phase 1: Implemented 1 April 2020

- Emergency General Surgery was centralised to GRH.

Phase 2: Implemented 9 June 2020

- Emergency Department (ED) at CGH changed to a Minor Injury & Illness Unit (MIIU), seven days a week from 08:00 to 20:00
- All 999 and undifferentiated (non-diagnosed) GP referrals centralised to GRH. This included the centralisation of the Acute Medical Take including Respiratory
- Acute Stroke Unit (ASU) moved to CGH, Hyper Acute Stroke Unit (HASU) remained at GRH
- Emergency and elective Vascular surgery moved to GRH
- Emergency Urology pathway moved to GRH, planned pathways remained at CGH

Phase 3: Implemented in December 2020 & January 2021

- Medical Day Unit moved from GRH to CGH
- Neurology inpatient service moved from GRH to CGH
- Aveta Birthing Centre (Midwife led unit) moved from CGH to GRH (expectant mothers were also offered a home birth or delivery at Stroud Maternity Unit, subject to appropriate risk assessment).

At the time of writing, the pressures from the pandemic in Gloucestershire have reduced and the COVID-19 temporary service changes are due to come to an end on 30 June 2021.

Three service changes have already been restored; Aveta Birthing Unit to CGH, Urology emergency pathway to CGH and Neurology to GRH.

The CGH Emergency Department (ED) will re-open on Wednesday 9 June as a consultant-led service seven days a week between the hours of 8am – 8pm but remain closed overnight. The overnight nurse-led service will re-open on Wednesday 30 June. This means that from 1 July 2021 Cheltenham ED will be returned to its pre-Pandemic state, in line with public commitments from the Trust and as agreed with the local HOSC.

Restoration plans for the other temporary changes are being developed by clinical teams and will be agreed and communicated during June.

3.5 PATIENT CARE AND STAKEHOLDER RELATIONS

The Trust is committed to meaningful patient and public involvement. We have all used NHS services at some point in our lives as patients or carers, friends or family, and it plays a vital role in our daily lives.

The impact of the COVID-19 pandemic has demonstrated the critical role our local communities have in responding to major health challenges and in helping to shape how services are delivered, ensuring the most vulnerable people have an active voice.

Our commitment to understanding what matters most to people is enshrined in our Engagement and Involvement Strategy[4], which was published in 2020, and is central to our ambition to be an outstanding organisation.

By working together, we can make better decisions and we will be able to:

- Improve the quality of care and services;
- Improve patient safety;
- Improve colleague and patient experiences;
- Shape services around what local communities tell us that matter most to them;
- Attract, recruit and retain the best staff to the Trust;
- Support and celebrate the diversity of local people in living healthier lives.

This year the Trust established a Voluntary and Community Sector (VCS) Involvement Network, bringing together representative organisations to help in widening participation and engaging more widely across the county. We also set up the Gloucestershire Hospitals Youth Ambassadors group, which currently has over 20 active members who are able to get involved in a range of projects and provide local insight.

Engaging and involving during a pandemic

In responding to the impact of the COVID-19 pandemic, the Trust has had to make

[4] https://www.gloshospitals.nhs.uk/about-us/reports-and-publications/strategies/engagement-and-involvement-strategy/

a number of temporary changes to services at both GRH and CGH to ensure better and safer care for patients and minimise the risk of infection and maintain services.

It was essential that we worked with local partners and communities to ensure that information about the temporary changes were understood and build confidence that the hospitals were safe places to continue to receive care.

The local community also made a significant contribution to the lives of colleagues, through the continued messages of support, thank you gifts and public gestures, including the '*Clap for Carers*'. It has had a huge influence on staff morale and lifted spirits during some of the most challenging moments.

In late 2020 Healthwatch Gloucestershire published a report '*Experiences of urgent mental health care in Accident & Emergency'* which provided the Trust with some areas of improvement to consider.

In response the Trust recruited three patient 'Experts by Experience' to help co-design our Mental Health Strategy and reconsider our physical environments to improve the experience of patients using A&E and other services. By listening to and understanding the patient perspective we hope to ensure that mental health patients in crisis are given timely help and the dignity and respect that all our patients deserve.

Fit for the Future

Over the last three years the Trust worked closely with clinical colleagues, local communities and NHS and care partners to set out our vision for the future of specialist hospital care and to develop Centres of Excellence.

This vision was set out in our proposals as part of the Fit For The Future (FFTF) programme and from October to December 2020 we embarked upon an ambitious staff and public socially distanced and virtual consultation. Our plans and progress was independently audited through the Consultation Institute's Quality Assurance process.

The consultation sought views on proposals to strengthen five specialist hospital services: Acute Medicine (Acute Medical Take), General Surgery: Upper and Lower Gastrointestinal (including Emergency General Surgery), Image Guided Interventional Surgery (including Vascular Surgery), Gastroenterology inpatient services and Trauma and Orthopaedic inpatient services.

Despite the challenges of the pandemic we were able to deliver a comprehensive range of consultation activities which included:

- Approximately 5,000 Consultation booklets distributed across the county;
- 297,000 door-to-door leaflets distributed, generating 1700+ requests for information
- 75+ consultation events;
- More than 1,000 socially distanced face-to-face contacts with members of the public/over 350 staff;

- 20+ Interactive Facebook Live events with a reach of over 140,000 with over 1,500 ‘engagements’ which included over 1,000 clicks on the link in the post;
- 35+ tweets generated over 30,000 impressions and almost 800 engagements;
- 700+ Fit for the Future surveys completed;
- Staff information stands helped to generate significant awareness raising and high survey returns from this important group.

The feedback from local people has had significant impact on the decision making process and the recommendation to explore the new option for Planned General Surgery demonstrates the influence of the public and staff voice on shaping health services for the future.

The outcomes from the consultation were reviewed by an independent Citizens’ Jury who made a number of recommendations. All of the results of this work are available online: Fit For The Future[5].

The outcome of the consultation enables the exciting next step in developing the Centres of Excellence that will have a huge impact on the quality of patient care across the county. It also enables further opportunities for engagement on the development of the hospital sites and services.

Next Steps

The impact of the COVID-19 pandemic is likely to continue to dominate over the next year, as national and local services, and the public, adjust to a new normality. Once the imminent threat from Coronavirus subsides it is essential that health and care services are able to recover, albeit in a potentially changed way of working.

A range of ‘silver-lining’ innovations, including increased video consultations that have been successfully implemented in response to the pandemic, may become mainstays of future services, enabling greater flexibility for services and patients alike. In addition, how we deliver involvement activities in the future are likely to bring together the lessons learnt from the Fit for the Future consultation, with virtual, digital and socially distanced events and engagement programmes of work.

More information on our work is available in our ‘Engagement and Involvement Annual Review’ which will be published here: https://www.gloshospitals.nhs.uk/about-us/reports-and-publications/reports/

3.6 STATEMENT FROM THE CHIEF EXECUTIVE ON THE PERFORMANCE OF THE TRUST

The COVID-19 pandemic has had a significant impact on the operations of the Trust and the wider NHS. At the start of the year the nationally agreed suspensions of reporting requirements were in place to support the NHS response to the influx of patients coming into hospital in phase 1 of COVID-19. Although non-COVID-19 activity was paused at this time, the Trust continued to provide urgent and cancer

[5] https://www.onegloucestershire.net/yoursay/fit-for-the-future-developing-specialist-hospital-services-in-gloucestershire/

operations and rapid deployment of a *virtual desktop* meant that clinicians were able to continue consultations with patients. The Trust has continuously adapted and evolved, using the learning from Wave 1 and deploying it during a more challenging Wave 2 throughout Winter 2020/21.

As we collectively recover from the Pandemic, our focus is on restoring services and commencing a credible recovery plan for our patients who have waited far longer than we would like whilst continuing to support the health and well-being of our workforce as they too recover from a very challenging year.

It has been an unusual and exceptional year in urgent and emergency services, with a requirement to completely reconfigure the A&E 'front door' to our hospitals in response to safely managing all our patients in the context of the COVID-19 challenge. This enabled the highest standards of infection control to be maintained cross site and for a period of 12 months meant that CGH functioned as an Minor Injuries and Illness Unit (MIIU) and GRH accommodating the vast majority of the acute unwell patients, those coming by ambulance and all those patients in whom COVID-19 was suspected.

Clinical teams have worked collaboratively to ensure patients with minor injuries and children in need to urgent care were seen in a timely fashion, albeit outside of the main Emergency Department setting, in order to comply with social distancing for all patients.

Despite the impact on the pandemic, teams continued to operate on cancer patients and others in need of urgent surgery and our two hospital sites served us especially well in this regard. Cancer performance was a major highlight of 2020/21 with clinicians delivering more than 95% of urgent cancer appointments throughout the year within two weeks of referral by their GP and the Trust delivering all eight national cancer waiting standards for the first time since 2014.

Along with the Cancer Waiting Time standards, the Trust receives scrutiny around the number of patients waiting over 104 days (diagnosed or undiagnosed). The Trust has placed significant focus in this area and despite the impact of the first wave (mainly due to national scoping restrictions being applied) the Trust has reduced the >104 day backlog and is currently 52.7% lower than in 2019/20.

Positively, the number of routine patients waiting for surgery is lower now than at the start of the pandemic but unfortunately these patients are now waiting considerably longer for their treatment with more than 2,000 having waited over a year. Clinicians continue to prioritise patients based on clinical need to ensure those requiring treatment are seen as soon as possible whilst recognising the importance of all treating those long waiting patients who, whilst they may not have life threatening conditions, are often considerably impacted through pain, reduced mobility, sight loss and inability to work.

Continued focus and efforts on sustained financial performance meant that the Trust, once again was able to deliver it control total (achieving a small surplus) and capital plan.

As in the previous year, the dedication, determination, relentless hard work, care and compassion shown by staff has meant that, once again, the Trust's response to the challenge of the COVID-19 pandemic has been exceptional.

As seen from the above, the Trust has been, and remains, committed to ensuring equality of service delivery to different groups to deliver and provide best care for everyone. This has been promoted and communicated through the organisation using the blog and staff updated email in line with our Engagement and Involvement Strategy.

3.7 DEVELOPING OUR SERVICES AND IMPROVING PATIENT CARE

Patient experience is one of the three main pillars of quality of care alongside safety and effectiveness. The "Golden Thread" within all our service and quality improvement work is to improve patient experience across the organisation whilst focusing on providing best personalised care for all.

We are continuing to develop our approach to patient experience, listening directly to what matters most to the thousands of people who use our services, to ensure that feedback is reflected and acted upon every year. This is because we want every one of our patients to have the best experience possible whilst with us, and for them to feel valued and listened to. We want families to feel well supported too and appropriately involved in decisions about care and treatment where necessary.

Quantitative and qualitative insight and feedback helps our staff to know what we are doing well (and the things we should keep on doing) as well as what we need to change. Good experience of care, treatment and support are essential parts of our service alongside clinical effectiveness and safety.

We collect and use feedback/insight data by:

- Using questionnaires, text messaging and comment cards;
- Listening to what our patients tell us in person;
- Reviewing online feedback such as NHS Choices, Google, Twitter, Facebook etc;
- Participating in a range of national survey programmes
- Responding to letters and emails patients send us;
- Listening and improving in response to our feedback given to the Patient Advice and Liaison (PALS) and Complaints Services;
- Holding meetings with patient groups (focus groups);
- Seeking 'patient stories' (asking patients to gives us an in-depth account of their experience to help us understand the issues better) to begin our Public Board sessions;
- Shadowing our patients to then assist us with co-designing services;
- Using insight experience data, not just to respond to when things have gone wrong, but to shape what 'outstanding' looks like and things we could do better: our patients often suggest better ways of doing things, simple ideas to make it a better experience for them;

- Carrying out quality improvement project work supported by Gloucestershire Safety and Quality Improvement Academy (GSQIA) with the Patient Experience Improvement Team leading.

Patient Experience – our COVID-19 Response

A lot of the conventional methods that we use to gather, understand and improvement patient experience were put on hold or no longer possible during COVID-19, which meant that we had to adapt and think differently. As with other services, our Patient Experience team needed to adapt during the pandemic to better support our patients, relatives and colleagues across the hospitals. Of particular concern was the number of calls that would be put through to switchboard and the wards from concerned relatives due to visiting restrictions, who were often unable to get through due to the volume of calls being put through to the wards at this time.

The team was reconfigured into the Patient Support Service, to support patients, relatives, families, carers and staff during this pandemic, offering a seven day service. This included:

- our PALS function, offering advice and managing concerns;
- a telephone helpline for relatives and carers to ring to help take the volume of calls away from the wards while providing reassurance to families;
- supporting virtual visiting and the management of iPads;
- acting as a central team for letters, photos and messages for patients, that can be printed and delivered to the wards;
- creating a team manned by volunteers who manage belongings drop off for patients in our hospitals;

Since the service was set up on 3 April 2020, we have taken over 3000 calls, delivered over 1100 messages, letters and photos to patients on our wards, and collected over 4500 belongings from relatives unable to visit our patients. The belongings service has been staffed by volunteers at both sites, and has proved extremely popular and is running seven days a week.

Friends and Family Test

Summary of Friends and Family Test (FFT) performance during 2020/21

Nationally, Friends and Family Test data collection was put on hold and reporting was no longer required during the pandemic. As a Trust, we took the decision to continue to capture this insight, as an important indicator of the quality of our services, and how we could continue to drive improvement across our services.

Our overall Trust score for the year was 92%, compared to 91% in 2019/20. This year, the Friends and Family Test question changed, from “How likely are you to recommend our service to friends and family if they needed similar care or treatment?” to “Overall, how was the experience of our service?”. This was postponed nationally due to COVID-19, although we took the decision as a Trust to implement this question in June 2020. The new question provides greater opportunity to understand where we are not getting it right (for the consistent 9% not recording a

positive experience), as the new wording gives greater scope for us to ask additional free text questions.

The table below shows the positive scores across all of our Trust FFT questionnaires in the Trust.

Table: FFT positive score data 2020/21

	Overall score 2020 /21	Q1 2020 /21	Q2 2020 /21	Q3 2020 /21	Q4 2020/21
Trust positive score	92%	92.5%	90.5%	92%	93%
Inpatient FFT positive score *(includes day case)*	89%	92%	88%	86%	90%
Emergency Department FFT positive score	82%	87%	77%	79%	85%
Outpatient FFT positive score	94%	94%	93%	94%	95%
Maternity FFT positive score	92%	96%	93%	87%	93%

Information on complaints handling

The Trust aims to adhere to the *Principles of Remedy* produced by the Parliamentary and Health Service Ombudsman in 2007 and the *Local Authority Social Services and National Health Service Complaints (England) Regulations 2009*, in order to produce reasonable, fair and proportionate resolutions as part of our complaints handling procedures.

We are committed to responding to issues of concern raised by a patient, relative or carer and learning from these. We provide an accessible and impartial service, with all issues raised being handled not only with the seriousness they deserve, but also in a way that provides answers that are full, frank and honest.

Our complaints team submits an annual report for assurance to Quality and Performance Committee, and the Trust Board.

3.8 FINANCIAL PERFORMANCE

The COVID-19 global pandemic has seen a number of changes made to the way that the Trust operates on a day to day basis affecting staff, patients and community members. During this time the Trust, like others, has faced challenges in relation to capacity and staffing but has been able to realign staff and services as needed. In addition the procurement team has worked with regional and national colleagues to support the provision of PPE.

These changes have not been limited to operational services, with alterations having been made to the funding flows that the Trust receives. During the first phase of the pandemic, covering the first half of the financial year, NHS England removed uncertainty from provider financial positions by putting block arrangements in place.

The block calculations were based on average run rate spend from months 8 to 10 of the previous financial year and included an uplift for inflation, and no

adjustment for efficiency. The removal of the efficiency factor was to recognise that providers would be focusing on delivering care rather than cost reduction during this challenging and uncertain time.

NHS England recognised that using historic run rate costs may not fully cover all items and provided funding for further adjustments – referred to as top up funding. In addition, on a monthly basis, a "true up" exercise was undertaken to provide additional funding for actual costs incurred, subject to validation from regional teams. This resulted in the Trust reporting a breakeven position for the first half of the year.

As we moved into phase 2 of the epidemic, covering the second half of the year, NHS England provided funding at a system level to cover

- Block funding based on historic run rate expenditure
- Top up funding for issues not covered via the block funding
- System growth funding to support recovery and development
- COVID-19 funding to support non recurrent additional costs incurred due to the epidemic.

As a system we developed a financial, and operational, plan for phase 2 within which the Gloucestershire system planned for a deficit position. For the Trust specifically this was significantly driven by the inclusion of technical issues which were not adjusted for within the funding envelope e.g. the movement in untaken annual leave provisions, lost income from non NHS sources etc.

During the latter part of the year NHS England confirmed that a number of the technical issues raised would be supported with additional funding to the system allocations. This has resulted in the Trust reporting a surplus position of £2m for 2020/21.

Due to the change in the funding regime in 2020/21 the Trust has not received separate funding, as in previous years, from;

- Financial Recovery Funding (FRF),
- Marginal Rate Emergency Tariff (MRET) funding, or
- Readmissions funding.

The table below provides a high level financial position for 2020/21. This shows that the Trust achieved a year end surplus.

	£'000s
Income	649,594
Expenditure	-646,778
Remove capital donations / grants impact	-1182
Surplus / (deficit)	1,634
Impact of outstanding annual leave funding	4,075
Updated surplus / (deficit) to be reported	5,709

Financial sustainability schemes

Due to the impact of the pandemic, and the financial arrangements put in place, operational teams were supported to focus on prioritising the treatment of patients. This meant that during 2020/21 there has been less focus on financial efficiency opportunities in the first half of the year.

During the second half of the year, where resources were anticipated to be less than expected costs, divisional colleagues were tasked with looking at opportunities to reduce costs to operate within resources. This was both to support the in year position and to build a platform of opportunities to take into the next financial year. Supported by our Programme Management Office divisional colleagues have developed plans which have drawn upon a variety of locally identified opportunities and nationally informed opportunities (utilising benchmarking from Model Hospital, GIRFT etc.). This challenge remains significant for the Trust moving into future years.

Financial governance

Throughout the year strong financial governance has been maintained. This is demonstrated on a day to day basis through the use of the scheme of delegation to approve expenditure for requisitions and invoices, obtain quotes for non-pay items etc. Financial reporting processes have continued through monthly reporting at various levels in the organisation – at divisional Executive reviews, at Directors Operational Assurance Group, at Finance and Digital Committee, at Trust Leadership Team and at Trust Board. Financial training also continued albeit on a virtual basis which proved to be very successful and welcomed by the managers who attended.

To further support our financial governance arrangements both internal and external auditors have undertaken reviews.

Income disclosures required by section 43(2a) of the NHS Act 2006.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust can confirm compliance with this requirement for the 2019/20 financial year.

Information on the impact that other income it has received has had on its provision of goods and services for the purposes of health services in England

Other income received has had no impact on the provision of goods and services for the purposes of the health service in England.

3.9 KEY ISSUES AND RISKS

The Trust maintained a robust risk management approach throughout the COVID-19

pandemic; identifying, responding to and monitoring COVID-19 and non-COVID-19 related risks. The challenging operational environment has altered the risk landscape.

The major risks faced by the organisation have been strongly influenced by the phases of the pandemic. Operational pressures caused by demand exceeding capacity, the separation of pathways, staffing pressures and COVID-19 secure measures remain the most relevant risks for the Trust. Moving forward into the recovery phases the Trust will see a change of emphasis as risks relating to the backlogs of patients awaiting routine care and staff welfare begin to emerge.

The Trust has continued to explore opportunities for new ways of working to support the delivery of the strategic objectives, improve sustainability and enhance the patient and staff experience.

3.10 GOING CONCERN

Background

Local auditors conduct their work with reference to auditing standards which apply to all types of entity. Auditors are required to evaluate management's adoption of the going concern basis management's assessment of any material uncertainties over that basis that may require disclosure. In doing so auditors are able to conclude under ISA (UK) 570 whether:

- A material uncertainty related to going concern exists: and
- The appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements

The Public Audit Forum issues guidance to auditors on how auditing standards should be applied in the public sector. Publication 'Practice Note 10' was revised in late 2020, and approved by the Financial Reporting Council, explains that management's use of the going concern basis of accounting may be driven by the requirements of the financial reporting framework rather than the financial sustainability of the reporting entity.

With the NHS the Department of Health and Social Care Group Accounting Manual (GAM) and NHS Foundation Trust Annual Reporting Manual (FT ARM) are both based on the HM Treasury Financial Reporting Manual (FReM) where this definition applies.

This means that for the 2020/21 year end onwards the Trust's accounts are prepared on a going concern basis.

Four areas (listed below) have been reviewed and considered by the executive team as to whether they represent material uncertainties to the going concern basis, which would need to be disclosed.

- Historical financial performance
- Future financial plans

- Risk issues for consideration
- Other considerations

Historical financial performance

Across the last three years the Trust has seen an improvement and stabilisation in its financial position:

	£,000s		
	2020/21*	**2019/20**	**2018/19**
Deficit / (surplus)	**2,067**	**50**	**-29,565**

Future financial plans

Looking ahead to 2021/22 the Trust will be submitted financial plan, as part of an ICS return, to NHS England in May 2021. This is later than usual due to the timing of the announcement of the funding allocations and only covers the position for the first half of the year. The position includes specific service developments, non-pay inflation but no pay inflation (as a settlement has not yet been agreed by government with the pay review bodies).

A funding settlement for the first six months of the year has been provided to the ICS and at organisational level. For planning purposes the Trust is working on a savings target of £15m, or c2.5% of 2020/21 planned income, across the financial year in order to ensure that schemes are developed to support financial sustainability. The final level of efficiency will required will be determined once funding is confirmed.

Risk issues for consideration

Issue	Response
Net asset of net current liability position	Total forecast net assets employed at 31 March 2021 was £233.2, an increase of £152.3m from March 2020 which is reflective of the conversion of working capital and capital loans (c£127m) to PDC and the timing of cash payments.
Cash position	Total cash position at 31 March 2021 was £81.7m, an increase of c£42m from March 2020 due to the timing of capital cash payments and SLA funding from commissioners.
Debt repayment	All PDC payments made by due dates with no suspensions or arrears
PFI payments and impact	No issues to report
ICS Financial support arrangements	No additional funding support provided by ICS partners to underpin the Trust position
Inability to pay creditors on due dates	At the end of March 2021 the Trust paid 91.3% of invoices by volume and 92.6% of invoices by value within the target outlined in the Better Payment Practice code.
Reduction in normal terms of	No issues to report

trade credit by suppliers	
Loss of key management without replacement	Key colleagues are replaced should vacancies arise. The Trust has a succession planning process in place and an Accelerated Development Pool which seeks to develop key staff. The Trust also supports staff through national programmes and have shared leadership programmes at an ICS level. Key staff are replaced should vacancies arise.
Loss of key staff without replacement	
Staffing difficulties or shortages of important supplies	Recruitment remains a risk to all providers but is not at uncommon levels for the Trust – overall trust vacancy levels in February 2021 (the latest available period) were 4.36% compared with 4.6% across acute Trusts in the South West (based on December 2020 – the latest position available). Supplies are sourced without significant shortages.
Non-compliance with statutory requirements	No issues to report
Pending legal or regulatory proceedings against the trust, which if successful, would result in claims that are not capable of being satisfied	No issues to report
Changes in legislation or government policy expected to adversely affect the entity	None anticipated
COVID-19 pandemic makes the trust non-viable	During 2020/21 NHS England have provided financial assurance through the form of funding breakeven positions for Q1 and 2 of 2020/21 and by providing system level funding for quarters 3 and 4 (including additional funding for COVID-19). Moving into 2021/22 NHS England have confirmed that months 1-6 will continue to be funded on a roll over basis using the same basis as the second half of 2020/21 with adjustments for known issues. The remainder of the year will be funded using previously published system allocations as per the long term plan. In addition the Treasury have provided additional resources for the NHS to address underlying financial issues and to support activity recovery. The M1-6 allocations have been published for the Gloucestershire ICS. The attribution of these resources at individual organisation level has been agreed, providing all partners with the

	resources to enable them continue to operate when combined with financial sustainability schemes.

Other considerations

The local NHS commissioner has highlighted a number of key services provided by the Trust as designated services. In the event that the Trust was not able to operate these services would be required to be continued, potentially by a successor public sector body. This is important in the context of going concern as a key test is whether operations can continue and the designation of services supports this continuation.

Conclusions

The executive management team considered which of the three scenarios detailed below is the most appropriate:

a) the body is clearly a going concern and it is appropriate for the accounts to be prepared on the going concern basis;
b) the body is a going concern but there are uncertainties regarding future issues which should be disclosed in the accounts to ensure the true and fair view;
c) the body is not a going concern and the accounts will need to be prepared on an appropriate alternative basis which would require additional disclosures and redrafting of certain elements of the notes and statements.

From the assessment undertaken it is management's view that the Trust is a going concern based on the following:

- The Trust has a stable financial position
- The Treasury have committed resources to supporting the NHS
- There are no operational or other risks that would jeopardise the Trust's continuing operation
- NHS England's previous statement on going concern for all providers within the financial frameworks
- That a number of key services are designated services

The executive management team have concluded that the Trust is a going concern.

3.11 BETTER PAYMENT PRACTICE CODE PERFORMANCE (BPPC)

For the financial year 2020/21 the Better Payment Practice Code (BPPC) performance was 86% by value and 87% by number as detailed below. 95% is the best practice benchmark and work to improve the Trust position against this benchmark is ongoing.

	Cumulative for Financial Year	
	Number	£'000
Total Bills paid within Period	103,847	248,753
Total Bills paid within Target	94,854	230,242
Percentage of Bills paid within target	91%	92%

The split between NHS and non-NHS payables are shown below.

	Cumulative for Financial Year NHS Payables		Cumulative for Financial Year Non NHS Payables	
	Number	£'000	Number	£'000
Total Bills Paid Within period	2,123	40,746	101,724	208,007
Total Bill paid within Target	1,820	36,299	93,034	193,943
Percentage of Bills paid within target	85%	89%	91%	93%

The Trust has not paid any interest under the Late Payment of Commercial Debts (Interest) Act. The notional interest under the terms of the Act for 2020-21 would be £68.8k.

3.12 IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL YEAR AFFECTING THE TRUST

There have been no events subsequent to period end which require adjustment of or disclosure in the consolidated and Trust financial statements or notes thereto, however the Trust continues to closely monitor and assess the impact of the ongoing global Coronavirus pandemic.

3.13 DETAILS OF ANY OVERSEAS OPERATIONS

Not applicable. There were no overseas operations.

3.14 GLOUCESTERSHIRE MANAGED SERVICES PERFORMANCE REVIEW

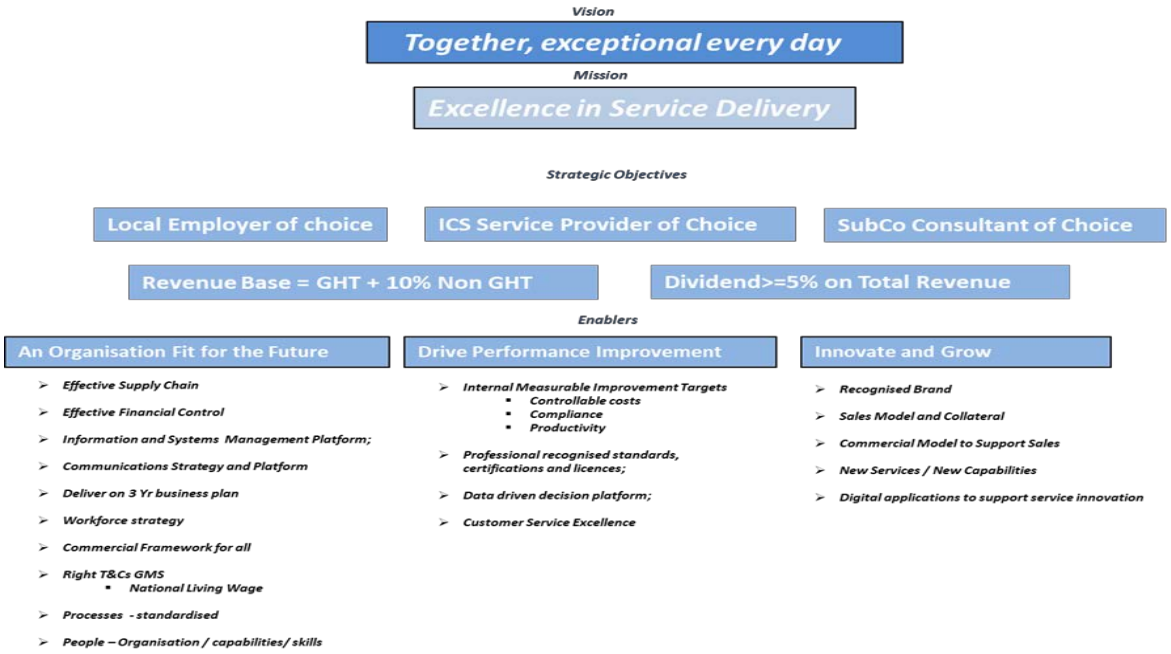
Overview

Gloucestershire Managed Services ("GMS") is the trading name for Gloucestershire Hospitals Subsidiary Company Limited. GMS is a company limited by shares and a wholly owned subsidiary of Gloucestershire Hospitals NHS Foundation Trust ("the Trust"). The company was incorporated on 22 December 2017 and remained dormant until 1 April 2018. On that date GMS took over the running of the Facilities and Estates functions for the Trust under the auspices of an Operated Healthcare Facilities Agreement ("OHFA"). Under this arm's length agreement GMS runs support services for the Trust and to enable this 660 staff formerly directly employed by the Trust transferred to GMS under TUPE arrangements. Subsequent to this a further 126 staff TUPE transferred from Interserve Ltd to GMS on the termination date (Sept 2018) of the cleaning subcontract for CGH.

GMS remains an integral part of the Trust providing and managing all of the buildings and associated infrastructure and providing a range of non -clinical services that contribute to the overall success of the group. Whilst a number of other NHS Trusts have contracted out large parts of their non-clinical services to private sector providers, the Trust has retained strategic control of its assets and supporting services directing improved efficiency and raised quality standards.

Highlights

GMS continued to progress against their Strategic Framework, shown below, introduced last year to take GMS through to the second year of their three year plan.



Key achievements noted by the Trust for GMS in 2020/21

1. GMS porters receive High Sheriff Award for their services;
2. Tree planting jointly sponsored by GMS as part of our GHFT commitment to sustainability;
3. GMS launch of Vision, Mission and Values;
4. GMS catering rated once again with a 5* for food hygiene from the Food Standards Agency;
5. GMS social media channels and website presence launched making us more visible externally and promoting what GMS does i.e. GMS Catering team do live broadcast highlighting Hospital catering services;
6. GMS waste and portering team donate unused, out-of-date medical equipment to help treat animals in need to Vale Wildlife Hospital & Rehabilitation Centre;
7. GMS launch new innovative solution to waste recycling using Sterimelt. This new technology recycles medical sterilisation wraps to make products which are available in the marketplace. *It is estimated that this process saves five times more carbon than if the medical wraps had been incinerated as medical waste*;

8. Grounds team creates a lovely new garden open opposite Foster's Restaurant. As part of the garden, the team are growing tomatoes that we will be using in our kitchen, making our recipes as sustainable and organic as possible.
9. GMS successfully supports the Trust during the COVID-19 pandemic and supports COVID-19 vaccine response at the hospital hub;
10. Colleagues represent GMS and meet with The Prince of Wales and The Duchess of Cornwall in June 2020 to talk about their roles during COVID-19.
11. GMS colleagues come up with the idea of Rainbow Day and support the celebration of the one year anniversary of the GHFT 2020 Staff Advice and Support Hub.
12. GMS helps the Trust secure £13.7m of Government grants to fund decarbonisation schemes.

Achievement of Year 3 Business Plan Objectives

GMS continued to provide a strong level of support for the Trust's clinical and non-clinical operations throughout the year, despite the disproportionate amount of sickness due to frontline nature of GMS staff, which increased overall to just short of 7% at the peak of the COVID-19 pandemic. The levels of service, particularly in cleaning, portering and maintenance still achieved full Key Performance Indicator (KPI) satisfaction across all areas of the hospital. Where it was necessary, GMS worked in collaboration with the Trust Nursing and IPC teams to focus and modify the standards and frequency of services adapting to hospital operational needs and doing this within the agreed financial budget envelope.

As a team, GMS have responded to the challenges thrust upon them by COVID-19 and supported the operational readiness and ongoing service needs of the hospitals throughout the pandemic. In addition GMS have learned lessons around the resilience of services and developed new service approaches and proposed new delivery methodology to improve future capability.

Limited growth in external services was achieved in year, and external revenue actually reduced in comparison to the previous year due largely to the changes in hospital activity, retail food sales and the closure of community and PCN practices in regard to the impact of COVID-19.

Despite the impact of COVID-19 during 2020/21 GMS were able to continue to make progress against their three key strategic enablers, and this is summarised in the table below:

Right Organisation Fit for the Future	**Drive Performance Improvement**	**Innovate and Grow**
➢ Leadership re-organisation completed in line with GMS People Plan; ➢ Enhanced GMS terms and conditions of employment, addressed on call payment schedules and	➢ Focus on Health and Safety management has seen the appointment of Workplace Safety Representatives, effective safe working practice for COVID-19 deployed, safety training achievement improve to	➢ We have consolidated our Brand identity, differentiated but not divorced, from the Trust and are building on the Vision, Mission and Values the GMS

duty frequencies, achieved a level of harmonisation of employment terms; ➢ Recognised and rewarded our porter teams for Security Industry Authority (SIA) licencing and Violence and Aggression (V&A) response duties; ➢ Communications through newsletters, Facebook, the GMS webpage and general topic posters has improved the engagement across GMS; ➢ We published our first Staff Survey and registered six areas to celebrate, four to improve but most importantly we saw a 10% increase on staff who consider GMS as a great place to work; ➢ Established a formalised relationship with staffside and entered into constructive dialogue; ➢ Appointed a Freedom to Speak up Guardian for GMS and a BAME staff lead; ➢ 11 promotions, 56 starters on GMS terms; ➢ 49 Former Interserve staff transferred to GMS terms and conditions; ➢ Supported development of 23 apprentices across GMS and engaged with the government Kick Start programme	89% and our accident and incident rates in GMS reduce by 40% since the previous year; ➢ Enabled the effective management of £17m of Capital Project expenditure against Life Cycle improvements and Equipment installations across both Hospitals. ➢ We have introduced internal financial and operational reporting, clear performance measures; ➢ Upgraded our estates and service management platform MiCad/ Backtrak and enabled a platform for consistent asset identification and service activity scheduling and planning across both hospitals. ➢ Consistency in Domestic services quality and performance delivery across the hospitals including re-focusing levels of activity to meet the COVID-19 challenges; Energy savings of £400k in year; ➢ Sterimelt recycling Initiative – 360tonnes of carbon footprint improvement ➢ Water testing contract annual saving £46k	teams selected by now addressing behaviours and competencies and the link to annual performance; ➢ In collaboration with current supply chain partners, GMS has been successful in identifying and securing £13.7m of external grant funding which will enable cost efficiency in energy supply and significant reductions in carbon footprint toward the NHS 2040 Net Zero carbon target.

GMS Summary Performance

Financial Performance:

Measures:

Profit before tax (PBT), dividend payments.

Target:

2020/21 - PBT £2,629k, with an implied post tax dividend £2,123k.

Outcome:

GMS made a profit after tax of £2,003,790, the directors recommended that this is paid in full as a dividend to the parent organisation. A dividend of £2,003,790 was formally declared on the 11 June 2021.

Total sales turnover in the year was £58.6m compared with £56.7m previous year. Within that non contractual income decreased from £2.5m to £1.5m due to a reduction in non COVID-19 related activity, and restricted access to catering retail outlets.

GMS supported the Trust to deliver its capital programme for Financial Year 2020/21 delivering £14.8m of Capital expenditure and providing management services to support the wider Trust capital programme. In FY19/20 GMS supported the Trust with £15.8m of Capital delivery."

Operational, Delivery and Performance:

Measures:

Meeting the contractual services standards that demonstrate improved productivity.

Target:

Compliance with the agreed services standards and all relevant regulatory requirements and statutory duties.

Outcome:

GMS achieved satisfaction of the desired levels of compliance throughout the year, highlighting only on three occasions where individual KPIs due to the impact of higher levels of sickness and absence in its workforce due to COVID-19.

Regulatory Compliance:

Outcome:

GMS achieved the target of no verified non-compliances against all material

regulatory and statutory requirements in 2020/21.

3.15 GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST CHARITABLE FUND

Charity vision and purpose

The Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund is an independent registered charity (registered number 1051606). Cheltenham and Gloucester Hospitals Charity is the registered working name for the Charity. The Charity exists to raise funds and receive donations and grants for the benefit of the patients of the Trust. By securing donations, legacies, grants and sponsorship, Cheltenham and Gloucester Hospitals Charity can provide additional funds that make a real difference for patients, their families, friends and the staff who look after them.

Cheltenham and Gloucester Hospitals Charity has a shared vision with the Trust, “Best care for everyone”, with the aim of raising funds to create the best possible experience for patients, their families and staff by funding programmes which deliver exceptional care, support innovative capital schemes to supply new equipment, help to deliver Trust innovations in patient treatment and ensure colleagues are supported in their duties.

Charity objectives

The Charity's objectives are such that the area of intended benefit relates to the NHS, patients and colleagues. By virtue of these objectives the patient benefit is inherently considered in all activities undertaken.

By raising funds and through careful management of our existing funds, Cheltenham and Gloucester Hospitals Charity provides a public benefit by making grants to the Trust and the other organisations it works with in order to support patients and colleagues. This is ‘for any charitable purpose or purposes relating to the National Health Service’, which includes funding facilities, equipment and research and to support associated healthcare and complementary services for patients of the Trust.

In July 2020 the Charity’s new strategy was launched. It aims to:

- Deliver the first major capital appeal, the first phase of development of the Gloucestershire Cancer Institute;
- Maximise the impact we make for patients and staff in every area of the hospitals by raising sustainable income of over £3 million a year by **2024;**
- Establish strong relationships with the hospitals’ key charity partners, enabling a strategic response to the Trust’s needs through working together.

Governance

Gloucestershire Hospitals NHS Foundation Trust is the Trustee of the Charity. The Trustee delegates responsibility for some of the day to day running of the Charity to the Charitable Funds Committee (CFC), chaired by a Non-Executive Director, Elaine

Warwicker. In 2018/19 the Trustee also established a separate Investment Committee to oversee the development of an investment strategy and policy, and monitor the Charity's investments.

The Charity consists of over 120 charitable funds, each dedicated to an individual ward or service. Whilst the charitable funds share the same financial systems as the Trust, a separate bank account is maintained for the Charity. Each fund is managed by nominated fund advisors who, along with the Director of Charity, are responsible for ensuring that expenditure is in accordance with the charity's governing documents and in accordance with donor wishes. Expenditure excess of £5,000 requires the approval of the CFC

In terms of risk management, the Charity's systems and protocols are aligned to those of the Trust. Accordingly, the Trust's risk system has been utilised to track and mitigate risk for the charity. The Charity Risk Register is reviewed by the Charity management team on a monthly basis and CFC at their quarterly meetings.

The Charity operates within the overall governance arrangements of the Trust, and the Charitable Funds are required to be consolidated as part of the Trust's Annual Accounts.

Financial Review

It has been an unprecedented year globally, and the charity was overwhelmed by the generosity of the public in Gloucestershire and beyond, particularly during the first wave of the pandemic. Supported by a fantastic team of redeployed staff and volunteers, the charity team launched the COVID-19 Rapid Relief Appeal at the end of March 2020, and set up depots within the education centres on both hospital sites to receive and distribute donated goods for colleagues and patients. These included the setting up of sleep pods, rest areas and wobble rooms; the supply of boost items from snacks to toiletries and chilled and frozen ready meals for colleagues and the supply of iPads for patients so they could communicate with loved ones at a time where visiting was restricted. The donations also led to improvements to outside spaces and gardens for patients and colleagues alike.

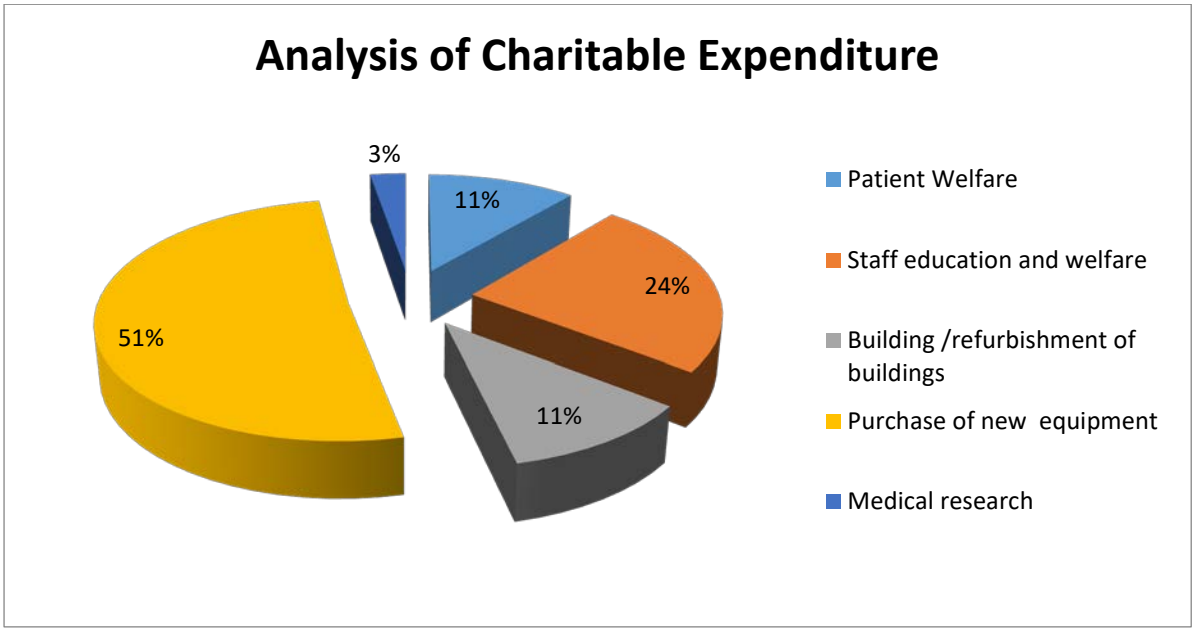
Despite the refocusing of staff roles from fundraising to project delivery, in 2020/22 the charity was in receipt of £2.4 million donated income (£2.1 million 2019/20), the most it has ever received. This included £684k of grant income (£902k 2019/20). Of this, £378k was received from NHS Charities Together, the membership body of NHS Charites, who benefitted from the incredible national support for the NHS such as that generated by Captain Sir Tom Moore. A total of £1.1 million (£1.7 million 2019/20) was spent in the year on projects to meet charitable purposes, including the purchasing of equipment, support for medical research and staff training. This was a smaller amount than previous years as many projects were placed on hold due to the pandemic and need to respond to the new demands of COVID-19 patients.

The overall fund balance of the Charity has increased as a result of these donations to £5.5 million, up from £4.3 million in 2019/20. Of this, £4 million has been committed by the charity for expenditure, including the installation of a new CT scanner in CGH, funded through the Scanner Appeal (£1.2 million), works to East

Block outpatients also at CGH funded by the Gloucestershire Eye Therapy Trust (£256k), and the oncology centre refurbishment project (£1 million). Included in the fund balance is the Charity's reserve which as at 31 March 2021 was £318,876 (£318,876 2019/20). The Charity's investments are carrying an unrealised gain of £80,909 (unrealised loss £201k 2019/20).

The Charity has been overwhelmed by the generous support received over the last 12 months from grateful patients, their families, friends, people within the local community, companies, grant making Trusts and staff. People have not only donated money, they have made face masks and scrubs, collected and delivered care packages for colleagues and patients, and delivered free meals and snacks to staff who worked through the first lockdown in particular. The value of donated gifts is estimated at £150k. Whilst the donors are far too many to mention individually, the Charity and Trustees would like to express thanks to everyone who has contributed. Everyone involved with the Charity was overwhelmed by the generosity and extremely grateful.

The Charity is also lucky to be supported by partners and our hospitals typically benefit from grants from these organisations. The number of grants received this year reduced due to partner charities not being able to undertake their usual fundraising activity, and having much lower fundraised income to distribute as a result. However the Charity still received grants from partner charities including Gloucestershire Eye Therapy Trust, Pied Piper, Scoo-B-Doo, NHS Charities Together and community groups such as Rotary Clubs. Scoo-B-Doo has, for example, funded a cerebral function monitor for the Special Care Baby Unit and four Fabian ventilators as well as a software system to track and monitor baby milk. Gloucestershire Arthritis Trust continued their support for a Paediatric Rheumatology Nurse post. An additional digital mobile x-ray machine was funded through the scanner appeal, thanks to a private Trust. Once more we are extremely grateful for all of the support that has been received.



2020/21 Fundraising Highlights

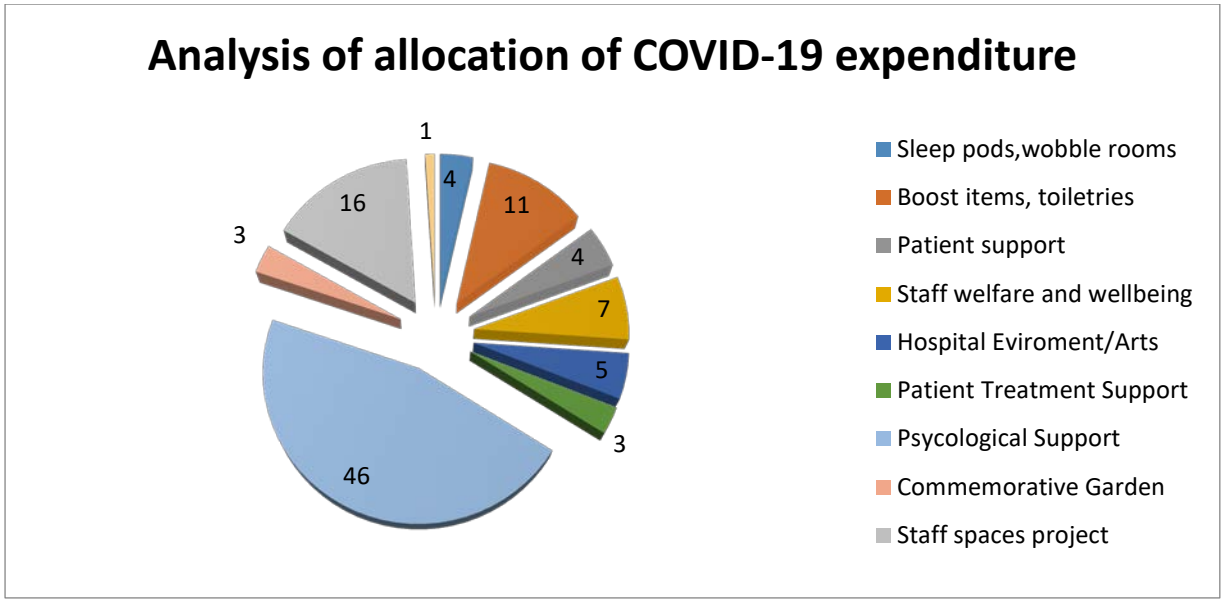
The quick response to the emerging COVID-19 pandemic in March 2020 meant that the charity was well placed to benefit from donations from grant making trusts, companies and the wider community. The charity's Emergency Response Appeal achieved £723k in income, which included substantial grants from NHS Charities Together (NHSCT).

The Charity was also nominated to be the lead charity for their Stage 2 grants programme in Gloucestershire. The Stage 1 and 3 grants received from NHSCT totalled £378k and have funded a wide range of projects from sleep pods for staff making overnight stays, improving rest rooms and spaces both indoors and outdoors for colleagues on breaks, and the provision of thousands of boost items for staff to help promote their wellbeing during difficult times. Most notably over £300k will be spent on essential long-term support for staff through the provision of dedicated additional psychological resources in the Staff 2020 Support Hub. Our ethnic minority colleagues, who were particularly impacted by the pandemic, have also received access to additional specialist support.

Other charitable support came from the Long Table and Food 4 Heroes, who between them provided thousands of chilled and frozen meals for all staff both during the first lockdown. Long Table continued supplying meals to the critical care unit during the second lockdown. Many other local and national companies donated drinks, snacks and toiletries.

The Charity's other fundraising appeal in the year was for vein finders to be used in oncology services, and to date £4k has been spent on purchasing these. Legacy income has continued to increase, with £868k being received in the year, compared with £779k in 2019/20. This is as a result of increased recognition for the charity in the county and investment in legacy marketing.

Work continued towards delivery of the Charity's new strategy, which includes the development of the Charity's first major fundraising capital appeal. The Charity is in the process of reviewing its brand and identity and, later in 2021, will review options for the diversification of income streams with a specific focus on commercial opportunities. There will be more investment in fundraising resources and training in 2021/22, and the fundraising team are signed up to the Fundraising Regulator's Code of Fundraising Practice.



Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

4. DIRECTOR'S REPORT – OUR ORGANISATIONAL STRUCTURE

4.1 BOARD OF DIRECTORS

The Chair of the Board of Directors is Peter Lachecki, who was appointed Chair of Gloucestershire Hospitals NHS Foundation Trust in November 2016 and then reappointed in November 2019. The Chair is also the Chair of the Council of Governors and is appointed or removed by the Council of Governors. Fourteen meetings of the Board of Directors were held in 2020/21. The dates of the meetings of the Board are advertised on the Trust's web site as are agendas, papers and minutes.

The Board is required to comply with its Standing Orders, Standing Financial Instructions and the Licence as issued by NHS Improvement, the independent regulator for Foundation Trusts. The Board is required to submit an annual plan to NHS Improvement and regular reports to confirm compliance with both the Trust's Financial and Governance targets.

The Directors are responsible for preparing the annual report and accounts and they consider that, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

Details of the individuals who at any time during the financial year were directors of the Trust are set out below.

Chair: Peter Lachecki

Peter Lachecki is a former Non-Executive Director of Worcestershire Health & Care NHS Trust (2011 – 2016). He chaired the Quality & Safety Committee, was a member of the Audit Committee and was Deputy Chair. His most senior appointment in a corporate role was as Global Category Director at Kraft Foods, where he led a complex group of internal functions including finance, sales and research and development.

Peter is a qualified executive coach and continues to run a coaching and team development business. He has been Chair at Gloucestershire Hospitals NHS Foundation Trust since November 2016.

Appointed until 5 November 2022. Attended: 14/14 Board meetings.

Non-Executive Directors

Non-Executive directors are appointed for three-year terms of office as agreed by the Council of Governors. They may serve two three-year terms. Appointments may be terminated by the Council of Governors. All the Non-Executive Directors meet the independence criteria detailed in NHS Improvement's Code of Governance. Details of current terms of office are provided below.

Vice Chair: Rob Graves

Rob Graves has had an extensive career in the finance function of 3M Company (a component of the Dow Jones Industrial Average) including director level positions in the U.S.A, Belgium and the United Kingdom.

A qualified accountant, he has significant experience of leading large finance teams, serving complex business units, spanning operational accounting and business planning functions and has been instrumental in establishing a European shared service operation.

Prior to joining the Trust, Rob had served as a non–executive director and audit chair on the boards of NHS Gloucestershire and Gloucestershire Care Services NHS Trust.

Rob is also the Senior Independent Director (SID).

Appointed until 29 January 2023. Attended: 14/14 Board meetings.

Claire Feehily

Claire Feehily has more than 30 years' experience in health, social care, housing and government sectors.

Formerly the Chair of Healthwatch Gloucestershire and an NHS non-executive director since 2010, Claire is also a qualified accountant and MBA.

Claire holds board positions with the National Archive and Heritage Lottery Fund where she chairs their Audit Committees, and more locally with The Brandon Trust and as Chair of Alliance Living Care. She is also a Trustee with Stroud and Cotswolds Citizens Advice.

Claire has particular expertise in financial and risk governance, and in helping organisations to engage properly with colleagues and those who use services and to learn from what they say.

Claire provides non-executive Board oversight on Raising Concerns.

Appointed until 30 January 2023. Attended: 14/14 Board meetings.

Marie-Annick Gournet (from 1 December 2020)

Marie-Annick Gournet has over 20 years' experience of working in senior leadership roles both in higher education and the voluntary sector. Her formative years in teaching started in two Bristol secondary schools in 1987. She worked at both; the University of Bristol for five years, while completing her PhD there and the University of the West England (UWE) for 25 years. There she occupied a range of senior leadership roles, including Programme Leader, Director of Widening Participation and Disability, and Director of the Learning for All Hub.

Throughout her professional career she has volunteered with a range of organisations in diverse Non-Executive Director roles including Governor at South Gloucestershire and Stroud College, Chair of the Strategic Advisory Group for Avon and Somerset Constabulary, Chair of Governor at Bristol Future Academy, Chair of the Black South West Network and Trustee at St Georges Bristol where she chairs the Education sub-committee.

In September 2017, Marie-Annick set up MAG Consulting which offer services in pedagogy, diversity and intercultural communication. She is passionate about diversity and inclusion and this sits at the heart of her professional approach. She enjoys working collaboratively and is always thriving to learn more.

Appointed until 29 November 2023. Attended: 13/14 Board meetings.

Balvinder Kaur Heran

Balvinder was appointed Deputy Chief Executive of Dudley Council on 29 March 2021. She is responsible for four directorates – regeneration and enterprise, housing, public realm, commercial and customer services.

Prior to this she was Joint Strategic Director Information Assets and Digital Development for Buckinghamshire NHS Healthcare Trust, Clinical Commissioning Group, and County Council and Chief Information Officer (CIO) for the Buckinghamshire Integrated Care System (ICS).

Balvinder specialises in transforming services shaped around individual needs through the effective use of ICT, digital solutions, information, performance improvement measures and service re-design.

Appointed until 4 May 2022. Attended: 10/14 Board meetings.

Alison Moon

A nurse since 1980 and with an MA in Management, Alison's focus is to ensure the highest possible quality healthcare services for all. Having trained at Bristol's Frenchay Hospital, Alison has held a variety of clinical and leadership roles across the NHS. Alison is an experienced Board level director having worked in a variety of NHS organisations in the South West and she has been on the Board of Trustees at St Peter's Hospice, Bristol since 2012.

Alison is the Independent Registered Nurse on the Governing Body of Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group and also provides Executive Coaching.

Alison has previously worked for Gloucestershire Hospitals NHS Foundation Trust and is delighted to be able to contribute again to developing and delivering high quality, patient-centred healthcare services for the people of Gloucestershire.

Appointed until 2 September 2023. Attended: 14/14 Board Meetings.

Mike Napier

Mike Napier is an experienced senior executive with a background covering a range of corporate services. He spent 31 years with Royal Dutch Shell plc, during which time he headed their global Procurement, Real Estate and Corporate Communications divisions. He has lived and worked in a number of countries across five continents. He also has more than ten years' experience as a non- executive director in the UK.

Appointed until 9 May 2024[6]. Attended: 14/14 Board meetings.

Elaine Warwicker

Elaine Warwicker has held senior and board level positions at various corporate financial services and energy companies, such as the Chelsea Building Society, Ecotricity and Bristol Energy.

She has particular expertise in marketing, sales and customer focused operations; and is passionate about the difference the right culture can make to the success of an organisation.

Elaine lives and works in Cheltenham, and currently runs a management consultancy business which specialises in helping senior leaders to have better quality conversations in the workplace; whether that's with customers, with teams or with peers around the senior table.

Appointed until: 17 August 2022. Attended: 14/14 Board Meetings

Associate Non-Executive Directors

Rebecca Pritchard (from 1 February 2021)

Rebecca Pritchard has held senior and board level positions in UK and US financial services companies, working across the public, private and third sectors.

She is a non-executive director of SWIG Finance, a social lender in the southwest, and a director of responsible finance, the membership and advocacy organisation for lenders supporting disadvantaged businesses and communities.

Until September 2020, she was head of UK Business Banking at Triodos, the leading European sustainable bank.

In addition to her banking and finance expertise, Rebecca has a strong interest in working with values-based organisations at a strategic level to tackle social inequality, improve sustainability, and successfully navigate change through strong employee and stakeholder engagement.
Rebecca has lived in rural Gloucestershire and worked in the southwest for more than 20 years. She has part-time caring responsibilities for a family member with

[6] *Mike Napier has re-appointed since the 31 March 2021 and the term dates reflect this.*

chronic health conditions.

She joined as an associate non-executive director of the Trust in February 2021.

Appointed until: 31 January 2022. Attended: 2/2 Board Meetings.

Roy Shubhabrata (from 1 February 2021)

Roy has spent the last two decades focused on digital transformation in healthcare across Europe, North America and Asia.

His interest lies is in the collaboration of government, academia, charities and providers in the adoption of innovative technologies in health and care settings.

Roy's past experience includes leadership roles in GE Healthcare, Microsoft, the World Health Organisation, Epic and Telstra.

Roy is the chief executive of Healthinnova, a global healthcare consultancy. He is a trustee of Age UK, the country's leading charity focused on older people. He is also a governor of the South Western Ambulance Service NHS Foundation Trust, and NExT director at the University Hospitals of Derby and Burton NHS Foundation Trust. He holds degrees in mathematics, computer science, health economics and international health policy.

Appointed until: 31 January 2022. Attended: 2/2 Board Meetings.

Executive Directors

Chief Executive Officer: Deborah Lee

Deborah Lee joined the Trust as Chief Executive Officer (CEO) in June 2016 from the University Hospitals Bristol NHS Foundation Trust (UHBNHSFT) where she was the Chief Operating Officer and Deputy CEO. As CEO, Deborah is ultimately responsible for the day-to-day leadership of the organisation through her executive team and for ensuring the implementation of the Board's strategic objectives.

Deborah has been nationally recognised by the Health Service Journal as one of the Top 50 Inspirational Women in Healthcare and has made the Top 50 NHS Chief Executives list for the last two years running. She qualified originally as a registered nurse, before returning to university to read economics and subsequently gained an MBA from Bristol Business School.

Deborah started her NHS management career in 1990 and has worked in acute, primary and community sectors, holding board appointments in five different organisations.

Attended: 14/14 Board meetings.

Director of People and Organisational Development and Deputy CEO: Emma Wood

Emma is an experienced executive whose specialisms include employee relations and engagement, organisational design and development, resourcing and talent development.

With a strong track record across both private and public sector, Emma previously worked at South Western Ambulance Service NHS Foundation Trust as well as Avon and Somerset Constabulary. Emma holds a BA in Psychology and Education and an MSC in Integrated Professional Practice from UWE. She is a Chartered Fellow of the Chartered Institute of Personnel and Development.

Attended: 13/14 Board meetings.

Director of Safety and Medical Director and Deputy CEO: Mark Pietroni

Professor Mark Pietroni was appointed on 1 March 2019.

Mark's career path has been varied, having spent 15 years in Bangladesh and, more recently, as Director of Public Health for South Gloucestershire; alongside this latter role Mark has worked as an Acute Physician and most recently also as Specialty Director for Unscheduled care at Gloucestershire Hospitals NHS Foundation Trust.

Mark will continue to practice as an acute physician one day a week while dedicating the rest of his week to his executive role.

Attended: 11/14 Board meetings.

Chief Operating Officer: Rachael De Caux

Rachael joined the Trust in April 2019 from NHS Improvement where she was Regional Medical Director for the South of England.

Rachael has worked in the NHS for 17 years and still practices part time as an Emergency Medicine Consultant at the Royal Berkshire Hospital Reading. She has a clinical interest in trauma (having flown as an Air Ambulance Doctor for eight years).

Before joining NHS Improvement, Rachael completed the NHS Fast Track Executive Programme with the NHS Leadership Academy, Harvard Kennedy School and the Institute for Healthcare Improvement and has held roles as Transformation Director, Divisional Director Women and Children's, Medical Director and Regional Director of the Emergency Care Improvement Programme. She has experience in delivering large Theatres and Outpatient transformation programmes.

Rachael is responsible for the day to day operational delivery of the services across the Trust and ensuring that we provide high quality services in an efficient manner. She has shared responsibility for the overall strategic direction, performance and success of the Trust.

Rachael lives in South Oxfordshire with her husband and family.

Attended: 10/14 Board meetings.

Director of Quality and Chief Nurse: Steve Hams

Professor Steve Hams joined us as Executive Director of Quality and Chief Nurse in October 2017 and is responsible for nursing, midwifery, allied health professions and quality. He is also the Director of Infection Prevention and Control and professor at the Three Counties School of Nursing and Midwifery.

Steve has been a registered nurse for more than 20 years, having initially specialised in coronary care. Steve has held a number of senior nursing and commissioning posts in the NHS, voluntary sector and higher education and he and his family are residents of Gloucestershire.

Attended: 13/14 Board meetings.

Joint Director of Quality and Chief Nurse: Carole Webster

Carole Webster was appointed as Joint Director of Quality and Chief Nurse for the period from 1 December 2020 to 30 April 2021 whilst Steve Hams had responsibility for leading the COVID-19 vaccination programme.

Attended: 3/4 Board meetings.

Digital and Chief Information Officer: Mark Hutchinson

Mark Hutchinson began as the Chief Digital and Information Officer at the Trust in October 2018. During 22 years working in acute NHS hospitals Mark has been involved in a number of ground-breaking projects. While Chief Information Officer (CIO) at Airedale NHS Trust he set up the first Telemedicine service in the NHS in England. Salford Royal NHS Trust was recognised as the most digitally mature hospital in the NHS after Mark implemented an Electronic Patient Record in 2013.

Attended: 12/14 Board meetings.

Director of Strategy and Transformation: Simon Lanceley

Simon joined the Trust in January 2018, from GE Healthcare Finnamore, a health and social care consultancy, where he worked with providers and commissioners across the country to design, plan and implement strategic and operational service change to improve clinical, operational and financial performance. He had previously worked for the Trust in the role of Associate Director for Programme Management and Service Improvement and has over 12 years' experience of working in the NHS.

Simon is responsible for working with our partners, staff and patients to define the Trust's Strategy and for leading the Transformation Programme to get us there. Simon also has responsibility for Innovation, Research & Development, Business

Planning and Communications.

Attended: 12/14 Board meetings.

Director of Finance: Karen Johnson

Karen Johnson is responsible for ensuring good stewardship of the public finances. She has worked in the public sector for 23 years and prides herself on helping to make a difference to individuals and the community. She is fully committed to ensuring the Trust provides good value for money while maintaining good quality services.

Her key focus is to move the Trust to a financially sustainable position and will work closely with divisions and individuals to achieve this.

Karen joined the Trust in January 2020 from Great Western Hospitals NHS Foundation Trust, where she was Director of Finance from 2015.

Attended: 13/14 Board meetings.

4.2 BOARD'S BALANCE, COMPLETENESS AND APPROPRIATENESS

Overall, the Board considers it possess the appropriate balance, completeness and appropriateness of skills. Addressing the Board's diversity and ensuring the Board members represent the communities the Trust serves is an ongoing effort.

4.3 PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, AND ITS DIRECTORS

The Board and its committees undertake their performance evaluation both on an ongoing basis, through 'Board/Committee reflections' at the end of each meeting and, periodically, through formal self-assessments and using best practice checklists.

The Chair undertakes the appraisal of the Chief Executive and Non-Executive Directors. The Senior Independent Director/Vice Chair undertakes the Chair's appraisal. The Chief Executive undertakes performance evaluation of Executive Directors.

4.4 REGISTER OF INTERESTS

A summary of the Register of Interests is given below. The full Register of Interests of the Board of Directors is available for public inspection at Trust Headquarters, Alexandra House, Cheltenham General Hospital, Sandford Road, Cheltenham GL53 7AN and is published annually on the Trust website.

Name and Title	Interest(s)
Rachael De Caux *Chief Operating Officer*	Nil returns
Claire Feehily *Non-Executive Director*	• Board Member and Chair of the Audit and Risk Committee, The National Archives • Board Member and Chair of the Audit and Risk Committee, National Lottery Heritage Fund • Board member and Chair of Alliance Living Care, Alliance Homes Group • Trustee and Treasurer, Stroud and Cotswold CitA • Friend and Charitable Donor, Sue Ryder Trust • Trustee and Audit Chair of the Brandon Trust
Rob Graves *Non-Executive Director*	Nil returns
Marie Annick-Gournet *Non-Executive Director*	Nil returns
Steve Hams *Director of Quality and Chief Nurse*	• Director of Curhams Ltd • Partner is an employee by Oxford Radcliffe • Hospitals NHSFT • Independent Registered Nurse for Surrey Heartlands Clinical Commissioning Group (CCG) • Visiting Professor of Nursing, University of Worcester
Balvinder Kaur Heran *Non-Executive Director*	• Employed as Deputy CEO of Dudley Council *(from 29 March 2021)* • Joint Strategic Director Information Assets and Digital Development for Buckinghamshire NHS Healthcare Trust, CCG and County Council and Chief Information Officer (CIO) for the Buckinghamshire Integrated Care System (ICS) *(to 28 March 2021)*
Mark Hutchinson *Chief Digital and Information Officer*	• Formerly employed by Allscripts UK Formerly purchased an EPR from Allscripts whilst working for Salford Royal NHS Trust • Formerly purchased an EPR from Allscripts whilst working for University Hospital South Manchester NHS Foundation Trust • Financial interest – Director of Informatics Support Services Limited (Company number 11142533)
Karen Johnson *Director of Finance*	Nil returns
Peter Lachecki *Trust Chair*	Managing Director, Lachecki Consulting Ltd
Simon Lanceley *Director of Strategy and Transformation*	Nil returns
Deborah Lee	• Husband is an independent healthcare

Chief Executive	practitioner, though does not work within the Gloucestershire health system • Occasionally participate in educational meetings for pharmaceutical companies brokered through intermediary management consultancy Mtech Access
Alison Moon *Non-Executive Director*	• Director A J Moon & Associates Ltd • Trustee St Peters Hospice, Bristol • Independent Registered Nurse, Governing Body of Bristol, North Somerset and South Gloucestershire CCG
Mike Napier *Non-Executive Director*	Nil returns
Mark Pietroni *Medical Director*	Nil returns
Elaine Warwicker *Non-Executive Director*	• Director – Canny Conversations Ltd
Emma Wood *Director of People and Organisational Development*	Nil returns
Rebecca Pritchard *Associate Non-Executive Director*	Nil returns
Roy Shubhabrata *Associate Non-Executive Director*	• Chief Exec, Healthinnova Limited • Trustee, Age UK • Trustee, Age UK Bath and North East Somerset • NExT Director, University Hospitals of Derby and Burton NHS Foundation Trust • Trustee, HelpAge International UK • Partner is a health practitioner but does not practice within the Gloucestershire system

4.5 DECISIONS DELEGATED TO MANAGEMENT BY THE BOARD OF DIRECTORS

The Scheme of Delegation is included in the Trust's Standing Orders and the documents outlining Reservation of Powers to the Board and Delegation of Powers. This sets out the decisions which are the responsibility of the Board of Directors. These are actioned either by the Trust Board or a Committee of the Board.

4.6 STEPS THAT THE BOARD OF DIRECTORS HAVE TAKEN TO UNDERSTAND THE VIEWS OF GOVERNORS AND MEMBERS

The Chair of the Trust Board is also the Chair of the Council of Governors and is the conduit between the two bodies. The full Council of Governors meets at least six times a year and also holds an annual meeting. Non-Executive Directors attend each Council of Governors meeting where they can be held to account for the performance of the Board. The Chief Executive and the Trust Secretary attend Council meetings and Executive Directors attend when necessary.

The Chair reports to Board any issues raised by the Council of Governors and the Board receives the minutes of Council of Governors meetings for information. Further, as Board members are encouraged to regularly attend Council of Governors and participate in Governor working groups, they have first -hand knowledge of the issues raised by Governors. Nominated Governors attend Board Committees as observers and feed in views of Governors as part of each meeting's agenda.

4.7 INFORMATION TO AUDITORS

The Directors confirm that so far as they are aware, there is no relevant audit information of which the auditors are unaware and that the directors have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

4.8 BOARD COMMITTEES

The Trust has a number of Board Committees involving Non-Executive Directors:

NED	Audit and Assurance	Estates and Facilities	Finance and Digital	People and OD	Quality and Performance	Remuneration
Peter Lachecki						**Chair**
Claire Feehily	**Chair**	Member			Member	Member
Marie-Annick Gournet				Member		Member
Rob Graves		Member	**Chair**	Member		Member
Balvinder Kaur Heran			Member	**Chair**		Member
Alison Moon	Member			Member	**Chair**	Member
Mike Napier	Member	**Chair**	Member			Member
Elaine Warwicker					Member	Member

4.9 COUNCIL OF GOVERNORS

As an NHS Foundation Trust, the Trust has established a Council of Governors, elected by its Membership base. At the end of March 2021 the Trust had 10,293 Public members and 9290 Staff members giving a total of 19,583 Foundation Trust Members.

The Council of Governors has an agreed Code of Conduct, a programme of meetings and a programme of involvement in Trust affairs. When fully constituted, the Council of Governors is composed of 22 Governors. They represent Trust staff, public and patient constituencies and stakeholders: Governors act in the best

interests of the Trust and adhere to its values and code of conduct. Alan Thomas is the Lead Governor who works closely with the Chair and Chief Executive and the relationship is based on mutual trust, integrity and openness.

Governors' statutory duties are to:

- hold the Non-Executive Directors (NEDs) individually and collectively to account for the performance of the Board of Directors;
- appoint or remove the Chair and NEDs of the Trust;
- approve the appointment of the Chief Executive;
- appoint or remove the Trust's external auditors;
- receive the Trust's accounts and annual report at the General Meeting;
- decide the remuneration, allowances and terms and conditions of office of the Chair and NEDs;
- represent the interests of Members of the Trust as a whole and the interests of the public;
- approve "significant transactions";
- approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions;
- with the Board of Directors approve amendments to the Trust's Constitution.

Despite the pandemic, governors have been involved in these activities during 2020/21 where appropriate and have been involved in many other activities during the year over which they continue to have an influence. They:

- engaged members within their constituencies and contributed to the development of the Engagement and Involvement Strategy;
- attended the Annual Meeting;
- attended Governor Development sessions;
- were engaged in service reconfiguration discussions/planning.

The responsibilities of the Board of Directors in relation to Governors are:

- to present to the Council of Governors at a general meeting the Annual Accounts, any report of the auditor on them and the Annual Report;
- to have regard to the views of the Council of Governors in preparing its forward plan.

4.10 CONSTITUENCES EXPLAINED

The **Public Constituencies** are geographical areas which share the same boundaries as Gloucestershire's six city, borough and district council areas. There is also a public constituency, Out of County, which is open to all patients who live outside Gloucestershire but who have been treated in the Trust's hospitals in the last three years.

The **Staff Constituency** is open to all those who are employed under a permanent contract of employment by the Trust, are employed for a minimum of twelve months on a short term contract, or are employed by shared or hosted services or working for external contractors in the Trust for at least 12 months.

There are also appointed **Stakeholder Governors** representing the local Clinical Commissioning Group, County Council, Age UK Gloucestershire and the Gloucestershire Healthwatch.

4.11 ELECTIONS

In 2020/21 elections were held to fill governor vacancies caused by terms of office ending as well as some resignations. The Trust commissioned Civica to conduct the elections on its behalf using the single transferrable vote system. The Board of Directors confirms that all elections to the Council of Governors have been held in accordance with the election rules as set out in the Trust's constitution.

October 2020:

Constituency	Governor	New Governors
Cotswold	Anne Davies	Re-elected (uncontested)
Cotswold	Kate Atkinson	Elected (uncontested)
Forest of Dean	Emilio Palama	Elected
Gloucester City	Liz Berragan	Re-elected
Stroud	Debbie Cleaveley	Elected
Out of County	Nick Price	Elected
Nursing and Midwifery	Sarah Mather	Re-elected
Non-Clinical	Carolyne Claydon	Elected
Medical and Dental	Russell Peek	Elected
Allied Health Professionals	Fiona Marfleet	Elected

There were no new Stakeholder Governors appointed during 2020/21.

Since the election in October 2020, the following governors resigned: Emilio Palama (Public – Forest of Dean), Kedge Martin (Public – Tewkesbury) and Kate Atkinson (Public – Cotswold).

The Governors who currently serve on the Council are as follows:

CONSTITUENCY	NAME	LAST RESULT	FIRST ELECTED	TERM OF OFFICE	TERMS SERVED	ELECTION DUE
PUBLIC GOVERNORS						
Cheltenham Borough Council Area	Alan Thomas	Re-elected 2019	Jul 2013	3 years	3	2022
	Tim Callaghan	Elected 2018	May 2018	3 years	1	2021
Cotswold District Council Area	VACANCY					
	Anne Davies	Re-elected 2020	October 2016	3 years*	3	2023
Forest of Dean	VACANCY					

District Council Area	Hilary Bowen	Re-elected 2019	October 2019	3 years	1	2022
Gloucester City Council Area	Liz Berragan	Elected 2020	October 2017	3 years	2	2023
	Graham Coughlin	Re-elected 2019	October 2016	3 years	2	2022
Out of County	Nick Price	Elected 2020	October 2020	3 years	1	2023
Stroud District Council Area	Debbie Cleaveley	Elected 2020	October 2020	3 years	1	2023
	Pat Eagle	Re-elected 2019	October 2016	3 years	2	2022
Tewkesbury Borough Council Area	Geoff Cave	Re-elected 2019	October 2016	3 years	2	2022
	VACANCY					
STAFF						
Allied Healthcare Professionals	Fiona Marfleet	Elected 2020	October 2020	3 years	1	2023
Medical/Dental Staff	Russell Peek	Elected 2020	October 2020	3 years	1	2023
Nursing/Midwifery Staff	Sarah Mather	Re-elected 2020	October 2017	3 years	2	2023
	Julia Preston	Elected 2019	October 2019	3 years	3**	2022
Other/Non-Clinical Staff	Carolyne Claydon	Elected 2020	October 2020	3 years	1	2023
STAKEHOLDER						
Gloucestershire County Council	Matt Babbage	Appointed September 2019	Appointed September 2019	3 years***	1	2022
Gloucestershire CCG	Colin Greaves	Reappointed April 2019	Appointed April 2016	3 years	2	2022
Healthwatch	Maggie Powell	Reappointed September 2020	Appointed December 2017	3 years	2	2023
Age UK Gloucestershire	Pat Le Rolland	Appointed March 2020	Appointed March 2020	3 years	1	2023

** Elected for one year term and then re-elected for three year term.*
*** Julia Preston served a one year term from 2004, being re-elected in 2005 and resigned in September 2007.*
**** or to date of next County Council election, if not re-elected, whichever is soonest.*

4.12 REGISTER OF INTERESTS

Under Section 30 of Schedule 7 of the National Health Service Act 2006, a Register of Governors' interests must be kept by each NHS Foundation Trust.

The full Register of Governors' interests is available for public inspection at Trust Headquarters, Alexandra House, Cheltenham General Hospital, Sandford Road, Cheltenham. GL53 7AN and is published annually on the Trust website.

The main purpose of this Register is to provide information of any pecuniary interest

or other material benefit which a Governor receives, which might reasonably be thought by others to influence his/her actions, speeches or votes at Council meetings or actions taken in his/her capacity as a member of the Council of Governors.

Governor	Interests
Matt Babbage	• Gloucestershire County Councillor • Cheltenham Borough Councillor
Liz Berragan	Lecturer at the University of Gloucestershire
Hilary Bowen	Nil returns
Tim Callaghan	Wife is a Gloucestershire GP, Cancer Clinical Lead for Gloucestershire CCG and Chair of the Gloucestershire GP Education Trust (GGPET) - various from 2010
Geoff Cave	Nil return
Carolyne Claydon	Nil return
Debbie Cleaveley	Financial interest – employed by a contractor.
Graham Coughlin	Nil return
Anne Davies	Nil return
Pat Eagle	Cancer Clinical Programme Group
Colin Greaves	Nil return
Pat Le Rolland	Non-Executive Director and Regulation Chair at the Academy for Healthcare Science
Fiona Marfleet	• Private provision of training to Clinical Hypnotherapy school regarding Weight and Eating Issues • Contract work for psychology for health (staff wellness intervention provision)
Sarah Mather	Nil return
Russell Peek	Economic and Social Research Council (ESRC) Southwest Doctoral Training Programme (SWDTP) - funded research programme leading to PhD; researching the effects of occupational stress on performance, progression, mental health, and well-being of doctors in training.
Maggie Powell	Representing Healthwatch Gloucestershire
Julia Preston	Nil return
Nick Price	Nil return
Alan Thomas	• Lay Member GCCG Integrated Urgent Care Procurement Board (Non-financial personal) • GHC Mental Health Act Manager (Non-financial personal) • Lay Member NICE Appeal Panel for Highly Specialised Technologies (Non-financial personal) • Lay Member National Medicines Safety Programme Board

Previous Governor	Interests
Kate Atkinson	Nil return
Charlotte Glasspool	Nil return
Marguerite Harris	Nil return
Nigel Johnson	Nil return
Tom Llewellyn	Nil return

Jeremy Marchant	Nil return
Kedge Martin	Nil return
Emilio Palama	Nil return

4.13 GOVERNOR ATTENDANCE AT COUNCIL MEETINGS

Governor attendance at Council meetings is recorded and reported to demonstrate to constituents that their elected and appointed governors are attending to discharge their duties and to fulfil a statutory requirement.

Governor	Constituency	15 April 2020	17 June 2020	19 August 2020	21 October 2020	16 December 2020	17 February 2021	Total
Tim Callaghan	Cheltenham	✓	✓	X	✓	✓	X	4/6
Alan Thomas	Cheltenham	✓	✓	✓	✓	✓	✓	6/6
Kate Atkinson	Cotswold	-	-	-	X	✓	X	1/3
Anne Davies	Cotswold	✓	✓	✓	✓	✓	✓	6/6
Hilary Bowen	Forest of Dean	✓	X	✓	✓	✓	✓	5/6
Emilio Palama	Forest of Dean	-	-	-	X	-	-	0/1
Liz Berragan	Gloucester	✓	X	✓	✓	X	✓	4/6
Graham Coughlin	Gloucester	✓	✓	✓	✓	✓	✓	6/6
Debbie Cleaveley	Stroud	-	-	-	✓	X	✓	2/3
Pat Eagle	Stroud	X	X	✓	✓	X	✓	3/6
Jeremy Marchant	Stroud	✓	✓	✓	-	-	-	3/3
Geoff Cave	Tewkesbury	✓	✓	X	✓	✓	✓	5/6
Nick Price	Out of County	-	-	-	✓	✓	✓	3/3
Marguerite Harris	Out of County	✓	✓	✓	-	-	-	3/3
Russell Peek	Staff (Medical/Dental)	-	-	-	✓	✓	✓	3/3
Tom Llewellyn	Staff (Medical/Dental)	X	✓	X	-	-	-	1/3
Sarah Mather	Staff (Nursing/Midwifery)	X	✓	✓	✓	✓	✓	5/6
Julia Preston	Staff (Nursing/Midwifery)	X	✓	X	✓	✓	✓	4/6
Fiona Marfleet	Staff (Allied Health Professionals)	-	-	-	✓	✓	X	2/3
Charlotte Glasspool	Staff (Allied Health Professionals)	X	X	✓	-	-	-	1/3
Carolyne Claydon	Staff (Other/Non-Clinical)	-	-	-	✓	✓	✓	3/3
Nigel Johnson	Staff (Other/Non-Clinical)	✓	✓	X	-	-	-	2/3
Maggie Powell	Appointed (Healthwatch)	✓	✓	✓	✓	✓	✓	6/6
Pat Le Rolland	Appointed (AgeUK)	✓	✓	✓	✓	✓	✓	6/6
Matt Babbage	Appointed (Gloucestershire County Council)	✓	✓	X	✓	✓	✓	5/6
Colin Greaves	Appointed (CCG)	✓	✓	✓	✓	✓	✓	6/6

✓= present x = apology – = not in office

4.14 GOVERNANCE AND NOMINATIONS COMMITTEE

The Council of Governors has a Governance and Nominations Committee. This is chaired by the Chair of the Trust/Council of Governors and its membership and attendance is shown in the table below. The Committee conducts the general business on behalf of the full Council, such as the development and revision of processes and protocols for Chair and Non-Executive Director recruitment and their appraisals, the review of governor expenses and the work plan for the Council of

Governors. Additionally, the Council of Governors has delegated to the Governance and Nominations Committee work to undertake some of its statutory roles in particular the process for the re-appointment of Non-Executive Directors.

Four meetings were held during the year and members' attendance is recorded below:

Governance and Nominations Members	4 June 2020	14 July 2020	13 October 2020	8 December 2020
Peter Lachecki – Chair	✓	✓	✓	✓
Rob Graves - Vice-Chair	✓	✓	**X**	✓
Alan Thomas - Lead Governor	✓	✓	✓	✓
Geoff Cave – Public Governor	✓	✓	✓	✓
Marguerite Harris – Public Governor	✓	**X**	-	-
Nigel Johnson – Staff Governor	**X**	✓	-	-
Carolyne Claydon – Staff Governor	**-**	-	-	✓
Sarah Mather – Staff Governor	**-**	-	-	✓

✓= present x = apology – = not in office

4.15 GOVERNORS ATTENDANCE AT BOARD COMMITTEES

Nominated Governors attend Trust Board Committees as Observers as follows:

MEETING	GOVERNOR REPRESENTATIVE
Trust Board	Alan Thomas *(all governors welcome)*
Audit & Assurance Committee	Pat Le Rolland - *Deputies: Fiona Marfleet and Matt Babbage*
Finance & Digital Committee	Alan Thomas - *Deputy: Pat Le Rolland*
Estates &Facilities Committee	Pat Eagle - *Deputies: Graham Coughlin and Debbie Cleaveley*
Quality & Performance Committee	Liz Berragan, Nick Price, Russell Peek (two of whom will attend) - *Deputies: Graham Coughlin and Hilary Bowen*
People & Organisational Development Committee	Staff: Carolyne Claydon - Deputy: Russell Peek. Public: Debbie Cleaveley - Deputy: Nick Price
Charitable Funds Committee (Committee of Charitable Trustees)	Vacant (was Kate Atkinson)

4.16 OTHER MANDATORY DISCLOSURES

Anti-Bribery

Gloucestershire Hospitals NHS Foundation Trust is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on behalf of the Trust is responsible for maintaining the organisation's reputation and for conducting Trust business lawfully and

professionally.

The Trust defines bribery as a financial advantage or other reward that is offered to, given to, or received by an individual or company (whether directly or indirectly) to induce or influence that individual or company to perform public or corporate functions or duties improperly. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event. Employees and others acting for or on behalf of the organisation are strictly prohibited from making, soliciting or receiving any bribes or unauthorised payments. Employees and other individuals acting for the organisation should note that bribery is a criminal offence that may result in up to ten years' imprisonment and/or an unlimited fine for the individual and an unlimited fine for the organisation.

Bribery and corruption has a detrimental impact on the Trust's business by undermining good governance and organisational integrity. The Trust benefits from carrying out functions in a transparent and ethical way and thereby helping to ensure that there is honest, open and fair competition in the NHS. Where there is a level playing field, the Trust can lead by example and deliver excellent services to our patients.

The Board and senior management team are committed to implementing and enforcing effective systems throughout the Trust to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.

The Trust has developed, and regularly reviews, key policies outlining our position on preventing and prohibiting fraud and bribery, promoting the highest standards of business conduct and managing conflicts of interest. These policies include the Counter Fraud, Bribery and Corruption policy, Standards of Business Conduct and the Speaking Out Policy. These policies, which are available on the Trust intranet, apply to all employees as well as temporary and agency workers, management consultants and contractors acting for or on behalf of the Trust. All employees and other individuals acting for the Trust are required to familiarise themselves with the policies and comply with any amendments with immediate effect.

As part of its anti-bribery measures, the organisation is committed to transparent, proportionate, reasonable and bona fide hospitality and promotional expenditure. Such expenditure must only be offered or accepted in accordance with the procedures set out in the organisation's policies. A breach of the organisation's Standards of Business Conduct policy by an employee will be treated as grounds for disciplinary action, which may result in a finding of gross misconduct, and immediate dismissal.

The Trust will not conduct business with service providers, agents or representatives that do not support the organisation's anti-bribery objectives. We reserve the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, the organisation with immediate effect where there is evidence that they have committed acts of bribery.

The success of the organisation's anti-bribery measures depends on all employees,

and those acting for the organisation, playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for, or on behalf of, the organisation are encouraged to report any suspected bribery. Employees are encouraged to use internal reporting procedures as set out in the Speaking Out Policy and the Counter Fraud, Bribery and Corruption policy. The Trust will support any individuals who make such a report, provided that it is made in good faith.

However, employees can also report their concerns externally as an alternative to internal reporting procedures if they wish to remain anonymous to the Local Counter Fraud Service by email (ghn-tr.fraudaccountmailbox@nhs.net), phone 0300 422 2726/2753 or 01452 318 842/826) or website; http://www.gloshospitals.nhs.uk/en/Wards-and-Departments/Other-Departments/Counter-Fraud-Service/Contact-Us.

Alternatively the NHS Fraud and Corruption Reporting Line (0800 028 40 60) provides an easily accessible route for the reporting of genuine suspicions of fraud or bribery within or affecting the NHS. All calls are dealt with by experienced caller handlers. There is also an online form at www.reportnhsfraud.nhs.uk.

Compliance with cost allocation and charging guidance issued by HM Treasury

The Directors confirm that the Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Details of political donations (if any)

Not applicable.

Disclosures relating to NHS Improvement's well-led framework

Material inconsistencies between the Annual Governance Statement (AGS), the corporate governance statement, the quality report, and annual report and reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

There are no material inconsistencies between the Annual Governance Statement and the Annual Report and reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

How the foundation trust has had regard to NHS Improvement's well-led framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality.

The Trust has had regard to NHS Improvement's well-led framework in arriving at its overall evaluation of the organisations performance, internal control and board assurance framework. Detailed discussion of the Trust's performance is included in

the Performance report and Annual Governance Statement.

During 2018/19 the Trust underwent the CQC Well-Led inspection, which led to an overall ‘Good’ rating. There was no inspection in 2020/21.

Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

5. REMUNERATION REPORT

5.1 ANNUAL STATEMENT ON REMUNERATION

The Remuneration Committee of the Trust is established in accordance with Schedule 7 of NHS Act 2006, applicable sections of the Companies Act 2006 (420-422), Regulation 11 and parts 3 and 5 of schedule 8 of the Large and medium sized companies and groups (accounts and reports). Regulations 2008 (SI 2008/410), parts 2 and 4 of schedule 8 of the Regulations as adopted by NHSI and the NHS Foundation Trusts Code of Governance.

The Committee determines the remuneration, allowances and other terms of office of the Executive Directors. The Trust's Remuneration Committee comprises the Trust Chair and all Non-Executive Directors. The Committee is attended by the Chief Executive and others at the request of the Chair in an advisory capacity where appropriate.

Four meetings were held during the financial year and attendance is recorded below:

Members Present	**17 August 2020**	**10 December 2020**	**14 January 2021**	**16 February 2021**
Peter Lachecki	✓	✓	✓	✓
Claire Feehily	✓	✓	✓	✓
Rob Graves	✓	✓	✓	✓
Marie-Annick Gournet	-	-	-	✓
Alison Moon	✓	✓	✓	✓
Mike Napier	✓	✓	✓	✓
Balvinder Heran	x	✓	✓	✓
Elaine Warwicker	✓	✓	✓	✓
In Attendance				
Deborah Lee	✓[1]	✓[2]	✓[3]	✓[4]
Sim Foreman	✓	✓	✓	✓
Key = ✓Present; x Apologies; - Not in post				

1. *The CEO was in attendance to present a report on appointment of a second Deputy CEO*
2. *The CEO was in attendance to present reports on annual pay increase for Very Senior Managers and GMS Remunerations matters.*
3. *The CEO was in attendance to present a report on salary rebasing for Executive Directors*
4. *The CEO was in attendance to present a report on the Chief Nurse seeking to undertake an additional role as registered nurse at a CCG. It was approved that Steve Hams could retain the fee received for this.*

The Committee considers and acts with delegated authority from the Board on all matters concerning Executive Director remuneration and terms of service. It considers internal and external comparisons on Executive Director remuneration using available market intelligence, a review of regional trends, NHS provider data and the NHSI VSM benchmarks.

In 2020/21 the Remuneration Committee agreed to implement the NHSI recommended VSM uplift across the Executive Team where the eligibility criteria had been met.

Non-Executive remuneration and terms and conditions of service are reviewed and decided periodically by the Governance and Nominations Committee and ratified by the Council of Governors.

All Directors of the Trust are subject to individual performance review.This involves the setting and agreeing of objectives for a 12 month period running from 1 April to 31 March for Executives and on the anniversary of appointment for Non-Executive Directors (NEDs).

In terms of measuring performance:

- Executive Director performance is reviewed by the Chief Executive throughout the year at regular one to ones and annually in an appraisal; this is informed by 360 feedback from Board members and direct reports;
- The Chair undertakes the performance review of the Chief Executive and NEDs; these are also informed by 360 feedback from Board members and in the case of the Chief Executive also includes external stakeholders. The appraisal of NEDs is overseen by the Governance and Nominations Committee;
- The Chair is appraised by the Senior Independent Director who seeks views widely from members of the Board, governors and other stakeholders.

Following the establishment of the Estates and Facilities Subsidiary Company, Gloucestershire Managed Services (GMS), the Remuneration Committee also oversees the terms and conditions of the Subsidiary's Directors as a reserved matter linked to the Company's Articles of Association. Remuneration for Directors of GMS is established given due regard to internal benchmarks and the market place as applied to private estates and facilities companies in the region.

Signed: 

Peter Lachecki
Chair **29 June 2021**

5.2 SENIOR MANAGERS' REMUNERATION POLICY

Executive Directors are employed on permanent contracts. Their remuneration is set with consideration of the NHSI benchmarks for very large acute trusts, and final salary influenced by other market factors to ensure the Trust attracts and retains the very best talent. Additional allowances relating to car and relocation are offered to those who qualify and are paid in line with HMRC guidance.

Executives are contracted to six months' notice and termination/loss of office period and benefit from standard NHS terms and conditions relating to sickness benefits, pension, redundancy, maternity, paternity and others. Loss of office could be unremunerated if there was a finding of gross misconduct. Further details of these standard offers can be found on the Department of Health website. Following these terms ensures consistency with other employee benefits and terms of conditions and parity against all groups of employees. The Trust does not consult employees on senior manager remuneration as the standard terms and conditions are offered and national benchmarks for remuneration met and not exceeded.

Remuneration Components

The table below describes the elements of remuneration that support attraction and retention of Senior Management talent into our Trust, supporting the delivery of our short and long term strategic objectives.

In line with NHSI requirements, all Executive Directors are subject to a potential claw back of 10% annual salary for Executives who fail to meet adequate standards of performance; no Executive in 2020/21 had monies clawed back.

Where Executives have met or exceeded the £150,000 threshold, opinion has been sought and obtained in accordance with the Treasury rules.

Remuneration Component	Description	Maximum amount available
Annual Salary	Determined through NHSI Benchmarks for very large Acute Trusts. Consideration given to market forces and breadth of role.	In line with NHSI requirements, all Executive Directors are subject to a potential claw back of 10% annual salary, for Executives who fail to meet adequate standards of performance
Relocation Allowance	Relocation expenses offered where appropriate, subject to local policy and HMRC rules	Payment in line with HMRC guidance.
Car Lease Allowance or Salary Uplift	Optional car lease or salary uplift (Executive Directors)	Up to 3% salary uplift, or car lease allowance

Other Agenda for Change Terms	Standard NHS terms and conditions relating to sickness benefits, pension, redundancy, maternity, paternity and others.	Maximum available in accordance with Agenda for Change

The start and end dates for Executive Directors are:

Name	Appointed	Resigned
Rachael DeCaux	1 April 2019	In post
Steve Hams	25 September 2017	In post
Mark Hutchinson	1 October 2018	In post
Karen Johnson	6 January 2020	In post
Simon Lanceley	8 January 2018	In post
Deborah Lee	13 June 2016	In post
Mark Pietroni	1 March 2019	In post
Emma Wood	1 November 2017	In post

For a period of three months Carole Webster held the role of joint Director of Quality and Chief Nurse alongside Steve Hams.

The term dates for Non-Executive Directors are:

Name	First Term	Second Term
Claire Feehily	1 February 2017 – 31 January 2020	1 February 2020 – 31 January 2023
Rob Graves	1 February 2017 – 31 January 2020	31 January 2020 – 31 January 2023
Marie-Annick Gournet	1 December 2020 – 30 November 2023	-
Balvinder Kaur Heran	6 May 2019 – 5 May 2022	-
Peter Lachecki	7 November 2016 - 6 November 2019	7 November 2019 – 6 November 2022
Alison Moon	4 September 2017 – 3 September 2020	4 September 2020 – 3 September 2023
Mike Napier	10 May 2018 – 9 May 2021	10 May 2021 – 9 May 2024
Elaine Warwicker	19 August 2019 – 18 August 2022	-

The start and end dates for Associate Non-Executive Directors are:

Name	Term start	Term end
Roy Shubhabrata	1 February 2021	31 January 2022
Rebecca Pritchard	1 February 2021	31 January 2022

The start dates for Gloucestershire Managed Services (GMS) Non-Executive

Directors are:

Role	Post Holder	Appointed*	Resigned*
Chair	Kathy Headdon	10 April 2018	N/A
Independent Non-Executive Director	Kaye Law-Fox	8 November 2018	N/A
Trust-appointed Non-Executive Director	Jonathan Shuter	13 September 2018	10 January 2020
Trust-appointed Non-Executive Director	Alison Koeltgen	11 July 2019	N/A
Managing Director	Keith Hamer	15 July 2019	N/A
Finance and Commercial Director	Simon Wadley	18 March 2019	N/A
Trust-appointed Non-Executive Director	Steve Perkins	23 March 2020	N/A

'Appointed' and 'Resigned' dates reflect Companies House records.

Governor Expenses

In 2020/21: 26 governors have been in office and eligible to claim travel and parking expenses. Two governors claimed expenses totaling £158.55.

This compares to ten governors claiming expenses in 2019/20 at a total value of £3,110.96.

Non-Executive Director Expenses

In 2020/21: Eight non-executive directors have been in office and eligible to claim travel and parking expenses. One non-executive director claimed expenses totaling £288.20.

This compares to seven non-executive directors claiming expenses in 2019/20 totaling £9,504.64.

Salary and Pension entitlements of executive and non-executive directors							
Name and title		**Salary**	**Expense payments (taxable) to nearest £100**	**Performance pay and bonuses**	**Long term performance pay and bonuses**	**All pension related benefits**	**Total Remuneration**
Year ended 31 March 2021		**(Bands of £5,000)**	**(£)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(Bands of £2,500)**	**(Bands of £5,000)**
Peter Lachecki	Chair	50-55	1	N/A	N/A	0	50-55
Elaine Warwicker	Non-Executive Director	10-15	0	N/A	N/A	0	10-15
Claire Feehily	Non-Executive Director	15-20	0	N/A	N/A	0	15-20
Robert Graves	Non-Executive Director	15-20	0	N/A	N/A	0	15-20
Alison Moon	Non-Executive Director	10-15	0	N/A	N/A	0	10-15
Mike Napier	Non-Executive Director	10-15	0	N/A	N/A	0	10-15
Balvinder Heran	Non-Executive Director	10-15	0	N/A	N/A	0	10-15
Marie-Annick Gournet	Non-Executive Director effective from 1 December 2020	5-10	0	N/A	N/A	0	5-10
Rebecca Pritchard	Associate Non-Executive Director effective form 1 February 2021	0-5	0	N/A	N/A	0	0-5
Roy Shubhabrata	Associate Non-Executive Director effective form 1 February 2021	0-5	0	N/A	N/A	0	0-5
Deborah Lee	Chief Executive	265-270	0	N/A	N/A	247.5-250	515-520
Rachel De Caux	Chief Operating Officer	155-160	0	N/A	N/A	40-42.5	200-205
Simon Lanceley	Director of Strategy and Transformation	135-140	0	N/A	N/A	35-37.5	170-175
Steve Hams	Joint Director of Quality and Chief Nurse	155-160	0	N/A	N/A	50-52.5	210-215
Emma Wood	Director of Human Resources	145-150	0	N/A	N/A	35-37.5	180-185
Karen Johnson	Director of Finance (appointed 6 January 2020)	155-160	0	N/A	N/A	52.5-55	205-210
Mark Pietroni	Director of Safety and Medical Director	195-200	3	N/A	N/A	52.5-55	250-255
Mark Hutchinson	Digital & Chief Information Officer	140-145	0	N/A	N/A	85-87.5	225-230

Carole Webster	Joint Director of Quality and Chief Nurse	35-40	0	N/A	N/A	1057.5-1060	1095-1100

Notes:
Carole Webster was in post jointly with Steve Hams from 1 December 2020 to 31 March 2021;
Salary for Mark Pietroni includes £59k for clinical role;
Salary for Mark Hutchinson includes £14k for clinical role

Salary and Pension entitlements of executive and non-executive directors							
Name and title		**Salary**	**Expense payments (taxable) to nearest £100**	**Performance pay and bonuses**	**Long term performance pay and bonuses**	**All pension related benefits**	**Total Remuneration**
Year ended 31 March 2020		**(Bands of £5,000)**	**(£)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(Bands of £2,500)**	**(Bands of £5,000)**
Peter Lachecki	Chair	50-55	14	N/A	N/A	0	50-55
Elaine Warwicker	Non Executive Director (with effect from 19 August 2019)	5-10	2	N/A	N/A	0	5-10
Keith Norton	Non Executive Director (with effect until 30 April 2019)	0-5	0	N/A	N/A	0	0-5
Claire Feehily	Non Executive Director	15-20	6	N/A	N/A	0	15-20
Robert Graves	Non Executive Director	15-20	9	N/A	N/A	0	15-20
Alison Moon	Non Executive Director	10-15	13	N/A	N/A	0	10-15
Mike Napier	Non Executive Director	10-15	2	N/A	N/A	0	10-15
Balvinder Heran	Non Executive Director (with effect from 6 May 2019)	10-15	4	N/A	N/A	0	10-15
Deborah Lee	Chief Executive	245-250	10	N/A	N/A	135-137.5	380-385
Rachel De Caux	Chief Operating Officer (appointed 1 April 2019)	150-155	6	N/A	N/A	695-697.5	845-850
Simon Lanceley	Director of Strategy and Transformation	135-140	3	N/A	N/A	30-32.5	165-170
Steve Hams	Director of Quality and Chief Nurse	145-150	0	N/A	N/A	80-82.5	230-235
Emma Wood	Director of Human Resources	145-150	0	N/A	N/A	37.5-40	185-190
Sarah Stansfield	Director of Finance (left 31 October 2019)	90-95	7	N/A	N/A	25-27.5	115-120
Karen Johnson	Director of Finance (appointed 6 January 2020)	35-40	0	N/A	N/A	45-47.5	80-85
Lukasz Bohdan	Director of Corporate Governance (Left 29 August 2019)	35-40	1	N/A	N/A	27.5-30	65-70
Mark Pietroni	Director of Safety and Medical	190-195	1	N/A	N/A	45-47.5	235-240

	Director						
Jonathan Shuter	Acting Director of Finance (1 November 2019 to 11 January 2020)	15-20	2	N/A	N/A	727.5-730	745-750
Mark Hutchinson	Digital & Chief Information Officer	125-130	0	N/A	N/A	47.5-50	170-175

Note: Salary for Mark Pietroni includes £61k for clinical role

Director Pensions 2020/21								
Pension benefits of Senior Managers		**Real increase/(decrease)in pension at pension age**	**Real increase/(decrease) in pension lump sum at pension age**	**Total accrued pension at pension age at 31 March 2021**	**Lump sum at age pension age related to accrued pension at 31 March 2021**	**Cash Equivalent Transfer Value as at 1 April 2020**	**Real increase /(decrease) in Cash Equivalent Transfer Value**	**Cash Equivalent Transfer Value as at 31 March 2021**
		(Bands of £2,500)	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**£'000**	**£'000**	**£'000**
Deborah Lee	Chief Executive	10 to 12.5	27.5 to 30	65 to 70	180 to 185	1,222	269	1,530
Mark Pietroni	Director of Safety and Medical Director	2.5 to 5	0 to 2.5	20 to 25	5 to 10	250	37	313
Rachel De Caux	Chief Operating Officer	2.5 to 5	0 to 2.5	35 to 40	70 to 75	481	22	533
Mark Hutchinson	Digital & Chief Information Officer	2.5 to 5	5 to 7.5	45 to 50	105 to 110	678	64	772
Simon Lanceley	Director of Strategy and Transformation	2.5 to 5	0 to 2.5	15 to 20	0 to 5	194	16	233
Steve Hams	Joint Director of Quality and Chief Nurse	2.5 to 5	0 to 2.5	40 to 45	95 to 100	646	39	719
Emma Wood	Director of Human Resources	2.5 to 5	0 to 2.5	15 to 20	0 to 5	172	15	211
Karen Johnson	Director of Finance	2.5 to 5	0 to 2.5	25 to 30	0 to 5	287	29	342
Carole Webster	Joint Director of Quality and Chief Nurse	15 to 17.5	45 to 47.5	45 to 50	140 to 145	N/A	339	1,066

Notes: Carole Webster - prior year comparative figures not available

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

Director Pensions 2019/20								
Pension benefits of Senior Managers		**Real increase/(decrease)in pension at pension age**	**Real increase/(decrease) in pension lump sum at pension age**	**Total accrued pension at pension age at 31 March 2020**	**Lump sum at pension age related to accrued pension at 31 March 2020**	**Cash Equivalent Transfer Value as at 1 April 2019**	**Real increase/(decrease) in Cash Equivalent Transfer Value**	**Cash Equivalent Transfer Value as at 31 March 2020**
		(Bands of £2,500)	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**£'000**	**£'000**	**£'000**
Deborah Lee	Chief Executive	5 to 7.5	15 to 17.5	50 to 55	150 to 155	1,042	153	1,222
Mark Pietroni	Medical Director (secondment 1 March 2019)	2.5 to 5	0 to 2.5	15 to 20	5 to 10	199	30	250
Rachel De Caux	Chief Operating Officer (from 1 April 2019)	10 to 12.5	25 to 27.5	30 to 35	65 to 70	0	459	481
Karen Johnson	Director of Finance (6 January 2020)	0 to 2.5	0 to 2.5	20 to 25	0 to 5	246	3	287
Mark Hutchinson	Digital & Chief Information Officer (from 1 October 2018)	2.5 to 5	2.5 to 5	40 to 45	100 to 105	609	37	678
Simon Lanceley	Director of Strategy and Transformation	2.5 to 5	0 to 2.5	15 to 20	0 to 5	159	11	194
Steve Hams	Director of Quality and Chief Nurse	2.5 to 5	5 to 7.5	35 to 40	95 to 100	553	59	646
Emma Wood	Director of Human Resources	2.5 to 5	0 to 2.5	10 to 15	0 to 5	130	16	172
Sarah Stansfield	Director of Finance (left 31 October 2019)	0 to 2.5	0 to 2.5	20 to 25	0 to 5	181	-1	206
Jonathan Shuter	Acting Director of Finance 1 November 2019 to 5 January 2020 *	5 to 7.5	12.5 to 15	30 to 35	80 to 85	0	105	646
Lukasz	Director of Corporate Governance (left 29	5 to 7.5	12.5 to 15	5 to 10	0 to 5	82	3	105

Bohdan	August 2019)							

* Note: Jonathan Shuter - Prior year comparative figures not available.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

No adjustments have been made to the pension and lump sum data in relation to the McCloud judgement, an ongoing legal case in relation to age discrimination benefits. The impacts will be assessed once the legal proceedings are completed.

Following the Government's announcement in 2019 on GMP indexation for public sector schemes, with effect from August 2019 the NHS Pensions updated their methodology for calculating their CETVs. As a result the method in force at 31 March 2019 differs to that in force at 31 March 2020 and will impact the real increase in the CETV as it will include an increase due to the change in GMP indexation methodology.

5.3 PAY MULTIPLE AND YEAR-ON-YEAR VARIANCE

All NHS Foundation Trusts are required to disclose the relationship between the remuneration of the highest paid director in its organisation and the median remuneration of the Trust's workforce.

The banded remuneration of the highest paid director in Gloucestershire Hospitals NHS Foundation Trust in the financial year 2020/21 was £265k to £270k (2019/20 £225k to £230k). This was 9.1 times (2019/20 7.6) the median workforce, which was £29,324 (2019/20 £30,112)

In 2020/21, no employees received remuneration in excess of the highest-paid director (2019/20 zero employees).

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For future years the remuneration committee will continue to follow national pay guidance where appropriate.

The salary and pension entitlements of executive and non-executive directors table, the directors' pension table and the pay multiple calculations are subject to audit.

When we compare the banded remuneration of the highest paid Director in Gloucestershire Hospitals for the financial year 2020/21 against 2019/20, it has risen from the banding £225k to £230k to the banding £265k to £270k

It should be noted that during 2020/21 the Trust appointed one new member of the Trust Board: Non-Executive Director: Marie-Annick Gournet

As noted in the Annual statement on remuneration, during 2020/21 the Remuneration Committee agreed remuneration of the appointee Executive Directors, using the NHS Improvement's benchmarking data.

Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

6. STAFF REPORT

6.1 OVERVIEW – STAFF DATA

With approximately 10,700 employees (headcount) inclusive of bank staff and the wholly owned subsidiary company Gloucestershire Managed Services (GMS) staff, the Trust is the largest employer in the county. The majority of Trust colleagues live in the local community and they and their families are also users of Trust services. On both a national and local basis, workforce supply and in particular, clinical workforce supply remains one of the most challenging issues that NHS organisations currently face.

The attraction, recruitment, retention and engagement of the workforce remains a significant current and future priority for the Trust, in line with our Trust strategic objectives; *Compassionate Workforce,* the aim of which is to ensure "*We have a compassionate, skilful and sustainable workforce, organised around the patient, that describes us as an outstanding employer who attracts, develops and retains the very best people".*

Staff Analysis

Average Number of Staff 1 April 2020 to 31 March 2021

Using the most up to date available data, the following table reflects the average number staff in Whole Time Equivalent (WTE) terms. Permanent staff figures also include Hosted GP Trainees and GMS staff. Bank and Agency worked WTE is included within the figure entitled "Other" (header in the top column).

This data demonstrates the increase in headcount during the 2020/2021 period due to COVID-19 and associated workforce pressures, which resulted in an increase in bank and agency use.

	2019/20	**2020/21**		
Group	**Total**	**Permanent**	**Other**	**Total**
Medical and dental	894	898	22	**920**
Administration and Estates	1,964	2,051	30	**2,081**
Healthcare assistants and other support staff	434	457	0	**457**
Nursing, midwifery and health visiting staff	2,083	2,035	81	**2,116**
Nursing, midwifery and health visiting learners	798	862	0	**862**
Scientific, therapeutic and technical staff	874	885	12	**897**
Other	1	0	0	**0**
Total average numbers	**7,050**	**7,672**	**648**	**7,188**

Gender Split of Workforce

The table below shows the breakdown of staff in terms of gender and is shown in

"Headcount" terms. This data includes GMS but excludes bank and agency staff.

Head	Men	Women	Total	Men%	Women%
*Chair & Directors	9	12	**21**	43%	57%
Band 8a+ staff	99	234	**333**	30%	70%
All Employees	2005	7,165	**9170**	22%	78%

***NOTE "Chair & Directors" does include both Executive and Non-Executive Directors**

The number of women exceeds the number of men across all staff groups, albeit the ratio of women to men reduces with seniority. The overall percentage split is similar to the previous year. There is a slight increase in the ratio of men employed at Band 8a+, in 2019/2020 it was 27% compared to 30% in 2020/2021. The Board and Chair/Non Executive numbers have increased and the percentage of women has increased from 55% to 57% in 2020/2021.

Sickness Absence

Using the most up to date available data at the time of writing this report, the Trust's annual sickness rate for 2020/2021 (excluding COVID-19 absence) was 3.64%, 0.20% lower than 2019/2020 (3.84%). This compares well to Model Hospital recommended Peer group rate of 4.01%. However, when COVID-19 absence (sickness and Shielders/self-isolation) is factored in, the annual rate rises to 5.82%, for which there are no Model Hospital comparator figures at point of publication.

Type of Sickness	Without COVID-19	With COVID-19
Sickness Absence Long Term	2.12%	3.01%
Sickness Absence Short Term	1.52%	2.81%
Annual Sickness Absence	**3.64%**	**5.82%**

Trust sickness absence data can be found at:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

6.2 STAFF POLICIES AND ACTIONS APPLIED DURING THE FINANCIAL YEAR

6.2.1 RECRUITMENT POLICY FOR DISABLED PERSONS/ APPLICANTS

Recruitment and Selection Policy

During 2020/2021 a full and comprehensive review was undertaken of the Trust Recruitment and Selection policy. The revised policy builds on the Trust's commitment to inclusivity with a section included within the policy to promote Positive Action where protected characteristics are underrepresented.

As stated within the Recruitment and Selection Policy; the Trust positively supports and encourages applications from disabled candidates. As a member of the 'two

ticks' scheme, the Trust is committed to interview all disabled applicants who meet the minimum criteria for the role. Shortlisting managers are proactively notified of candidates who meet the requirement to be interviewed under the Guaranteed Interview Scheme. Managers are also signposted for further support where reasonable adjustments / special arrangements are required for people with a disability. In addition as a Trust we plan to introduce a diversity panelist who will engage with members of the panel challenging any unconscious bias.

Between April 2020 and March 2021, the Trust and Gloucestershire Managed Services (GMS) received 22,400 applications for employment. 861 (3.84%) of these candidates declared a disability during the application process and of those candidates who declared a disability 347 (40.30%) met the basic criteria for the position and were shortlisted for interview. The number of candidates opting not to disclose their disability status was 320 or 1.43% of the total applicants.

Of the 347 disabled candidates shortlisted for interview, 33 were appointed into roles within Gloucestershire Hospitals NHS Foundation Trust and GMS which equates to 14.08%.

Breakdown of Total Applications Received				**Breakdown of Total Recruited compared to Shortlisted**			
Trust Excluding Gloucestershire Managed Services (GMS)							
		Applications	**As a %**	**Shortlisted**	**As a %**	**Recruited**	**As a % those Recruited against No Shortlisted**
Disability	**Yes**	824	3.90%	339	5.61%	32	**9.44%**
	No	20,010	94.66%	5,598	92.64%	796	**14.22%**
	Undisclosed	304	1.44%	106	1.75%	14	**13.21%**
	Total	**21,138**	**100.00%**	**6043**	**100.00%**	**842**	**13.93%**
Gloucestershire Managed Services (GMS)							
		Applications	**As a %**	**Shortlisted**	**As a %**	**Recruited**	**As a % those Recruited against No Shortlisted**
Disability	**Yes**	37	2.93%	8	1.87%	1	12.50%
	No	1,209	95.80%	410	96.02%	67	16.34%
	Undisclosed	16	1.27%	9	2.11%	1	11.11%
	Total	**1262**	**100.00%**	**427**	**100.00%**	**69**	**16.16%**
Combined Total Trust & GMS							
		Applications	**As a %**	**Shortlisted**	**As a %**	**Recruited**	**As a % those Recruited against No Shortlisted**
Disability	**Yes**	861	3.84%	347	5.36%	33	**9.51%**
	No	21,219	94.73%	6,008	92.86%	863	**14.36%**
	Undisclosed	320	1.43%	115	1.78%	15	**13.04%**
	Total	**22400**	**100.00%**	**6470**	**100.00%**	**911**	**14.08%**

Recruitment Training

The Trust offers training for recruiting managers through a number of mechanisms including Recruitment workshops. These support the development of anyone involved in the recruitment process ensuring they are; knowledgeable, skilled and confident interviewers. Unconscious Bias training has now been embedded into these recruitment workshops and existing recruiters are required to attend refresher recruitment workshops every three years. Safer recruitment training is also offered through e-learning packages in addition to ongoing advice and support to recruiting managers through dedicated recruitment advisor support.

Dedicated Training has been established for the following to ensure a fair and equitable process:

- Chairs of the Recruiting Panel;
- New recruiting Managers;
- Other Panel members (including regular updates etc.);
- Diversity panelists – as part of the Trust's Equality, Diversity and Inclusion (EDI) initiatives all panels for role at band 8a and above must have a Diversity panelist.

6.2.2 REASONABLE ADJUSTMENTS FOR PEOPLE WHO HAVE BECOME DISABLED DURING THE YEAR

All colleagues are encouraged to declare their protected characteristics. New staff employed with a disability are assessed by occupational health to establish the reasonable adjustments they may require. These are facilitated by the division or the 2020 Hub. The Trust is supported by numerous bodies such as Access to Work to assist with adjustments. There was a significant improvement in how colleagues rated us as a Trust in the 2020 Staff Survey with regards to making adequate adjustments to meet their needs, with 77.7% stating we met their needs. This was an improvement of 4.4% on 2019 Staff Survey results and 2.2% above the average percentage of all Trusts in the 2020 results.

All staff members are encouraged to join/engage with our Diversity Network, and the committee consists of colleagues who volunteer for a particular role that interests them. There are three sub-groups, chaired by colleagues: Disability, Ethnic Minorities and LGBTQ+. The Trust executive leads for the protected characteristics are:

- LGBTQ – Steve Hams, Director of Quality & Chief Nurse
- Mental Health – Deborah Lee, Chief Executive Officer
- Ethnic Minority – Mark Pietroni, Director of Safety and Medical Director /Deputy CEO
- Disability - Emma Wood, Director of People and OD / Deputy CEO

Emma Wood has also assisted NHS Employers with national disability recruitment video's sharing her own story of holding an invisible disability.

The Trust recognises the importance for our employees to access swift support for a variety of individual health and wellbeing needs. This has proven particularly

relevant in light of COVID-19 and the impact this has, and is having, on Trust colleague's health and wellbeing. Following the establishment of the 2020 Staff Advice and Support Hub in 2019 staff access to support relating to physical, mental and financial help and support has improved. This was evident in the increased positive rating in the staff survey under the health and wellbeing themes.

6.2.3 DIVERSITY AND INCLUSION

The Trust has progressed the Equality Diversity and Inclusion agenda over the past three years seeking to improve the experiences of all staff groups but particularly those from ethnic minority and disabled colleagues, who report the least positive experience of working in the Trust.

The Trusts Equality objectives for 2019-2023 set four objectives (as required nationally); two relating to staff and two to patients. The staff objectives which reflect the broader equality issues raised in the Workforce Racial Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Gender Pay report and staff survey are:

- Eliminate discrimination on the basis of race, gender and disability. Improve the support and reporting mechanisms for staff when they experience or witness abuse, bullying, harassment or violence in our Trust to ensure staff feel able to respond effectively and receive the support they need.
- Significantly strengthen support provided to staff with disabilities, mental health and long term health conditions; and support line managers who work with disabled colleagues to ensure they feel safe

Initiatives such as the Diversity Network launch of three sub-groups (LGBTQ+, ethnic minorities and Disabled); leading an agenda of sharing experiences; including diverse staff groups in recruitment processes and policy design (Transgender Care policy and Menopause at Work guidance); signing up to the Mental Health Charter; participating in the Stonewall Index; leading national toolkits for disabled staff; embedding EDI as part of the Executive review process and launching the NHS Rainbow badge campaign where over 1,500 colleagues pledged support to wear their badge to champion a culture of equality have all been important steps.

However to achieve and sustain change for our colleagues the Trust took important steps to fast track improvements.

As part of the Board's journey to orientate itself on the issues facing ethnic minorities the Board met with the National WRES lead, Yvonne Coghill, in January 2020. At this session the Board were presented with a reminder of our WRES data and an overview of national trends. Whilst Yvonne commented on our successes, our gaps were evident and her advice on how we may wish to proceed was useful in planning our response to the issues highlighted.

The impact of the COVID-19 pandemic placed some EDI plans and programmes of delivery on hold, but the virus served to highlight the levels of social injustice within the UK as it became apparent there was a disproportionate impact of COVID-19 on members of our BAME communities. As healthcare workers our colleagues were

more likely to contract the virus than employees in different sectors and the potential impact on our ethnic minority colleagues became very real and concerning.

The Trust connected with ethnic minority colleagues through a number of means (WhatsApp groups to targeted emails, Zoom meetings, newsletters and the creation of peer supporters) and established a process of risk assessment to ensure staff were not placed at risk in the working environment. Further research continued at a national level to seek to understand the disproportionate impact of COVID-19 and reports were soon published which highlighted multifactorial reasons with many pointing to historic societal injustice and inequity. The lack of progress across the NHS to address some of these issues for staff and patients alike was highlighted.

The findings of research were published at the same time as the death of George Floyd in the US. This death resulted in protests internationally to voice that 'Black Lives Matter.' In the UK, ethnic minority communities asked, again, why progress to ensure equity was so slow and racism still present. For the NHS a close look at our lack of overall progress made for stark reading.

The Trust reached out once more to colleagues to provide an opportunity to share feelings and thoughts. During this Zoom meeting our colleagues expressed;

- Repressed feelings, a sense that things have not changed – repetition of 're-trigger something in you;'
- Anger;
- Exhaustion;
- Outrage;
- Sadness;
- Feeling emotionally drained- (drained by social media news).

It was evident taking more rapid action to improve the experiences of our ethnic minority colleagues was urgently required and that this was more than reigniting the EDI plans paused during COVID, but required a deep review of why our colleagues experienced the Trust so differently to their white counterparts, alongside a commitment to seeking real cultural change.

Taking Action

Taking action which would make a tangible difference to and show the Trust can learn, empathise and act was essential to move forward.
As a response to our listening events and survey activity the Trust reprioritised resources and work to the end of the financial year.

The Trust appointed a BAME EDI lead to assist in responding to the impact of COVID-19 and the BLM movement for our colleagues and a team began to progress new priorities with leaders and stakeholders.

These priorities included:

Inviting a partner to speak with colleagues within the Trust, from diverse backgrounds, to provide the Board with a report on the 'experiences behind the data'

including recommendations on how we could energise and move the Inclusion agenda forward.

1. A provider was selected and spent around four to five months speaking with colleagues from a diverse range of backgrounds of their work experiences. They also shared a view on how the Trust could operationalise the Inclusion agenda and provided advice on taking the pulse of staff through the use of cultural barometers.

2. Establishing a BAME Freedom to Speak Up Guardian

3. The Trust established a BAME Freedom to Speak Up Guardian and also Guardians from new backgrounds such as medics, chaplaincy and patient quality leads.

4. Identifying ways in which our ethnic minority colleagues could be more involved in decision making and problem solving to co design solutions.
5. The Trust identified means through which our Diversity Network Chairs and colleagues could contribute to decisions which impacted upon them. This included a People Advisory Group which considered our COVID-19 response through the lens of risk assessments, PPE, Health and wellbeing provision, COVID-19 secure measures and latterly vaccinations.

6. A BAME council as part of our Pathways to Excellence model has commenced and participants are co designing solutions to issues such as a perceived lack of progression and reports of bullying and harassment.

7. The Trust celebrated Black history month in October and linked many activities with Freedom to Speak Up month. A rolling programme of ‘This is me’/ ‘let’s have a conversation month’ with colleagues sharing their stories as linked to their personal protected characteristics has been planned for the next 12 month period

8. Offering more extensive opportunities for ethnic minority colleagues to access mentoring and be trained as mentors.

9. The Trust rolled out a new a mentoring programme for ethnic minority colleagues to access mentoring and become mentors.

10. Review and amend our recruitment practices to ensure equity and inclusion prevailed and positive action embedded.

The need to improve some of our recruitment practices has resulted in changes to Shortlisting, making Positive action decisions, Diverse interview panellists, Assessment, Improved internal recruitment processes, length of terms for senior medical leadership roles and BAME buddying system when on-boarding new ethnic minority Colleagues.

A full review of the recruitment & selection policy has been undertaken and lessons learnt from the “Big Conversation – Black Lives Matter” initiative and staff survey

results and other surveys have influenced changes within the policy. One such change is clearer guidance for recruiting managers in respect of Positive Action.

For certain roles and/or departments where protected characteristics are underrepresented; Positive action may be taken in order to attract more candidates from these groups. This can be done through an approved statement in the job advert and through the choice of platforms used to advertise. To support this decision a standard report will be made available to the recruitment team and recruiting managers, highlighting where service lines and roles are less diverse and where positive action should be considered. Relevant roles will also be actively targeted at members of our Internal Development Pools.

There will be more focus on ethnic representation, in line with "A Model Employer", by NHS England. The overall aspiration is to achieve the representation of ethnic minorities in the workforce at all levels of the Trust, with particular emphasis on grades 8a and above

The current compliment of BAME and White staff at senior level is as follows:

Heads	BAME	White	Not Stated	Total	BAME%	White%	Not stated%
Chair & Directors *(inc. GMS)*	3	17	1	21	14.29%	80.95%	4.76%
Band 8a+ staff	26	300	7	333	7.81%	90.09%	2.10%
All Employees	**1507**	**7126**	**537**	**9170**	**16.43%**	**77.71%**	**5.86%**

As part of the NHS Model Employer initiative, NHSE set this Trust a suggested target of employing 37 BAME colleagues at Agenda for Change (AfC) band 8a by 2028.

However this Trust has committed and remains confident that this target will be achieved by December 2024 and not 2028 and have increased the number to 39.

Band	GHT Dec 2020 actual	Dec 20 actual vs. NHSE 2020 target	GHT Dec 21 Target	GHT Dec 22 Target	GHT Dec 23 Target	NHSE Dec 24 Target	Additional numbers to recruit by Dec 2024
Band 8a	10	+1 (above target)	12 (appoint 2)	14 (appoint 2)	16 (appoint 2)	19 (appoint 3)	**9**
Band 8b	7	+1 (above target)	7 (appoint 0)	8 (appoint 1)	9 (appoint 1)	9 (appoint 0)	**2**
Band 8c	3	+3 (above target)	3 (appoint 0)	4 (appoint 1)	4 (appoint 0)	5 *Revised GHT target 5 +2 on the NHSE* (appoint 1)	**2**
Band 8d	1	0 (on target)	2 (appoint 1)	2 (appoint 0)	3 (appoint 1)	4 (appoint 1)	**4**
Band 9	0	0	0	1	1	1	**1**

		(on target)	(appoint 0)	(appoint 1)	(appoint 0)	(appoint 0)	
VSM	0	0 (on target)	0 (appoint 0)	0 (appoint 0)	1 (appoint 1)	1 (appoint 0)	**1**
TOTAL	**21**		**24**	**29**	**34**	**39**	**19**

Work is in the final stages of development to:

- Identify BAME colleagues whom, with appropriate mentoring and support, could progress into senior (8a+) roles within the next three years
- Succession plans to be developed and will feature as part of our Divisional workforce plans, identifying the opportunities that are likely to arise through turnover, retirement and service development
- Where internal succession is limited, potential opportunities for positive action will be identified with Divisions and support will be provided to ensure this process is considered and conducted in a fair and appropriate way
- Colleagues identified for potential 8A+ progression will be allocated support and mentorship either by the Accelerated Development Pool (talent pool) or via another method

Continuing on from the above Action Taken:

1. Develop our compassionate culture by designing and rolling out a compassionate leadership programme for all managers

   The Trust created a new Compassionate Leadership programme for all managers in association with stakeholders and an expert critical friend.

2. Improve health and wellbeing programmes for BAME colleagues.

   The Trust provided new resources and services for health and wellbeing for all colleagues but specifically promoted an online social forum and counselling service called QWELL. This service has been promoted to ethnic minority colleagues as it has a national reputation for reaching ethnic minority groups and communities who tend to be less forthcoming in seeking help.

3. Consider new recruitment events which can reach out to our local diverse communities.

   The Trust has an ambition to ensure that our diverse communities are engaged and encouraged to apply for roles. Significant work has been planned and towards the end of the year the Trust commenced to improve diversity of Health Care Support Workers. An event with our ICS partners will seek to match ethnic minority and disabled candidates to available roles.

In addition to these activities the Trust has been selected to join the NHS Employers Diversity and Inclusion Partners programme for 2020/21 We look forward to the year ahead and we will:

- work with NHS Employers, partner organisations and alumni to support system wide efforts to improve the robust measurement of equality, diversity and inclusion across the health and social care system;
- respond and focus on delivering solutions which positively impact upon the NHS Long term plan, the pending NHS People Plan with a specific focus on the WDES, the Learning Disability Employment Programme (LDEP) and gender pay gaps;
- Ensure the lead Board Executive (Director of People and OD) and two staff members attend four modules (now due to commence June 2021) to improve sharing of best practice and learning on Standards, Capacity, Delivery, Evaluation.

The Trust has also commenced on boarding to join the national NHS Leadership Academy Reciprocal Mentoring scheme.

Being able to act as an informed partner and ensure 'listening with fascination,' continues to be a commitment from our desire to embed a compassionate culture and the Trust will progress its work in the new financial year.

Health and Well-being

The Trust recognises the importance of being able to access swift support for a variety of individual health and wellbeing needs. This has proven particularly important in light of COVID-19 and the impact this has, and is having, on Trust colleagues' health and wellbeing. Following the establishment of the 2020 Staff Advice and Support Hub in 2019 staff have improved access to support relating to physical, mental and financial health. The impact of this service was evidenced in the positive ratings across the theme Health and Wellbeing in our staff survey.

This year has been like no other for colleague health and well-being support and the Staff Advice and Support Hub became a central resource for staff with queries about COVID-19 absence, self-isolation, stress and access to health related provision. The hub saw 13,083 contacts a 15 fold increase on the previous year.

The top six contact reasons were as follows:

1. Medical condition/pregnancy/self-isolation/household concerns – 1863 – 14%
2. Testing – 1741 – 13%
3. Symptoms – 1522 – 12%
4. Other/miscellaneous – 1035 – 8%
5. Occupational Health – 927 – 7%
6. Vaccine – 926 – 7%

"Other/miscellaneous" includes many and varied topics including enquiries regarding staff benefits such as Cycle to Work scheme; Rostering /working hours and other general issues, the question often being who they might contact/approach for support and guidance.

The Hub also manages and ensures reasonable adjustments are made at a local level and 4% of calls have related to the provision of these. This positive action is reflected in the WDES section of the 2020 Staff Survey results in which 77.7% of colleagues felt the Trust had made adequate adjustments to meet their needs. This is a 4.4% improvement on 2019 Staff Survey results and 2.2% above the average percentage of all Trusts in the 2020 results.

The Hub has a digital presence and publishes a monthly newsletter to all colleagues and regularly sees 13,454 hits to its webpage since opening.

During 2020/2021 the services of the 2020 Hub have been expanded and work commenced to improve/grow services and means of support including:

- Launched a revised staff recognition scheme Going the Extra Mile (GEM)award
- Establishment of the Peer Support Network
- Establishment of TRIM (Trauma Related Incident Management) in Emergency Department (ED)
- Psychological link workers
- Addressing needs for reasonable adjustments

This clearly demonstrates the enormous value of the 2020 Hub service during the coronavirus outbreak.

To meet this increased demand, the Hub flexed its opening times throughout the year including extended opening times and weekend working.

In April 2020 an infographic was developed for staff to highlight the range of health-wellbeing services which were available. This was then updated and relaunched in October to reflect the latest offers available nationally and locally. The services have also been categorised to identify what is available for individuals, leaders/managers, teams, as well as benefits which are targeted at people with particular protected characteristics.

Caring for those who care

Covid-19 Pandemic Recovery phase at Gloucestershire Hospitals NHS Foundation Trust

Everyone

In-house support

- Vivup EAP telephone counselling **0330 380 0658**
- Staff Support service (121 psychological therapy)
- Occupational Health
- Peer Support Network
- Wellness check-in tool
- Chaplaincy team
- Freedom to Speak Up Guardians
- Sanctuary areas
- Discounts for NHS staff
- *Salary Finance – education; loans; savings*

Learning resources

- Working from home toolkit
- Online guides, tips and videos
- Wellbeing books from GHT Library

NHS national support

- National Staff Support Line 7am-11pm. **0300 131 7000.** Text **FRONTLINE** to **85258** (available 24/7)
- NHS Bereavement and Loss Support Line 8am-8pm. **0300 303 4434**
- Project5 – 2 free coaching sessions or 3 mental health support sessions from trained volunteers
- NHS short learning guides
- Harley Therapy - one-off support session with professional therapist
- Frontline19 - free, confidential psychological support service for frontline workers

Currently unavailable, coming soon

Free apps

- Unmind
- Headspace
- Silvercloud
- Sleepio
- Daylight
- Movement for Modern Life
- #StayAlive – suicide prevention resource
- Get Your Mind Plan
- NHS Fitness Studio

Teams

In-house support

- Psychology Link Worker
- Decompression/Schwartz/ wellbeing sessions
- Team diagnostics/ development (Leadership & OD)
- *Mediation service*

NHS national support

- NHS short learning guides

Ways to show you care

- Gem thank you postcards
- Random acts of kindness
- 5 minutes pause at 11am
- Every Name is a Person Care toolkit

For more information:

For help with accessing any of these services, contact the 2020 Staff Advice and Support Hub by email **ghn-tr.2020@nhs.net** or call **0300 422 2020**

The 2020 Hub is open: Monday - Friday, 8.00am - 8pm

Caring for those who care

Covid-19 Pandemic Recovery phase at Gloucestershire Hospitals NHS Foundation Trust

Leaders and managers

In-house support

- GHT Coaching and Mentoring faculty
- Schwartz-style/reflection and wellbeing sessions via leadership networks (100L/ELN)
- Supporting Colleagues Well toolkit
- *Principles of Compassionate Leadership workshop*
- *Compassionate Leadership Development programme*
- *Leading and managing virtual teams: workshop and resources*
- *Trauma Awareness for Managers training*

Currently unavailable, coming soon

NHS national support

- NHS coaching support for all leaders (2 free coaching sessions)
- NHS coaching support for senior leaders (12 free coaching sessions)
- NHS mentoring support (2 hours per week, for up to 3 months)
- REACT Mental Health conversation training
- NHS short learning guides
- Online Psychological First Aid Training

Supporting diversity and inclusion

In-house support

- Qwell – digital online counselling platform aimed at adults
- Kooth – digital online counselling platform aimed at children and young adults
- BAME Engagement/Equality Diversity Inclusion Lead
- "About My Health & Wellbeing" booklet
- BAME Freedom to Speak Up Guardian
- BAME and Disability/Shielding WhatsApp chat groups
- Diversity Network virtual meetings and get-togethers
- LGBT+ WhatsApp chat group
- RTT Champion for Junior Doctors returning from long-term absence

NHS national support

- Bereavement and trauma support line for Filipino colleagues 8am-8pm. **0300 303 1115**
- NHS short learning guides
- Practitioner Health - specialist support for doctors, dentists, medical students
- Association of Christian Counsellors (ACC) - up to 10 free online/phone counselling sessions, for people of all beliefs and none. Can be matched to ethnicity.
- Refuge freephone national domestic abuse helpline **0808 2000 247** (available 24/7)

Free apps

- Liberate meditation – curated for the BAME community
- Cityparents – practical support for working parents
- Bright Sky – support for people in an abusive relationship

For more information:

For help with accessing any of these services, contact the 2020 Staff Advice and Support Hub by email **ghn-tr.2020@nhs.net** or call **0300 422 2020**

The 2020 Hub is open: Monday - Friday, 8.00am - 8pm

In October 2020 we launched a new Peer Support Network; 20 volunteer colleagues who provide confidential listening and support to colleagues who may be experiencing acute stress or distress. Peer Supporters will also be used to provide impartial pastoral support to colleagues who are involved in a safety or HR-related investigation.

The Trust utilised an Employee Assistance Programme to offer telephone counselling and offered two online counselling and support platforms – QWELL and KOOTH for colleagues and their children.

During the first wave of the COVID-19 pandemic the Health Psychology team was deployed to act as Psychology Link Workers with the departments and staff groups which were at the forefront of the pandemic response. Their support was appreciated by many and in a Trust-wide health-wellbeing survey we conducted during May/June this was one of the 'top 5' new additions to our health-wellbeing offer which colleagues wanted to continue having access to.

The Trust appointed a Psychologist into this role two days per week using local and national Charity monies.

The Psychology Link Worker provides support to colleagues, managers and teams regarding any aspect of their psychological and emotional health and wellbeing.

From May to September 2020, over 70 dedicated sessions were facilitated by the Psychology Link Worker. Activities have included:

- **Needs assessment sessions**– one-off sessions with the manager to think about what the needs of their team are and ideas around how to implement well-being sessions for colleagues
- **Decompression sessions** - a way for colleagues being able to take some time out to think about some of their experiences in work and share them with other colleagues as this may have been the first opportunity to find out how each other is feeling
- **Drop-in sessions for staff** – for individuals or groups of staff to drop-in and talk about how things are for them at the moment, and function as a way of beginning to think about their needs and attend to their well-being
- **Individual 121 sessions** - to help individuals have some space to explore what is going on for them so that they might be able to understand what the difficulties are

Continuing to support colleagues post the COVID-19 pandemic remains a priority and as we head into 2021 the health and wellbeing offer will be extended to:

- Deliver TRIM Training across the Trust and launch centralised TRIM model to support colleagues who may be experiencing trauma symptoms/PTSD.
- Deliver Trauma Awareness training for managers, with focus on Nursing Midwifery and AHP colleagues.
- Deliver Resilience training for frontline staff.

6.2.4 TRAINING, CAREER DEVELOPMENT AND PROMOTION OF DISABLED EMPLOYEES

A variety of mechanisms are in place to help colleagues requiring additional support in their personal learning and development.

The Trust will flex its methods for specific learner needs and adjustments can be made to the learning environment and the learning methodology, including additional resources or room changes.

All training videos now have a transcript and 90% have subtitles (with the remainder being provided in the next year)

The Education teams have designed an eLearning “wrapper” for accessibility so that it works with screen readers, has flexible contrast settings and variable font sizes all aiding accessibility.

The Post Graduate Medical Education team regularly offers additional support for Medical teaching events/courses and examinations that are open to all to attend from all over the country, and indeed worldwide for examinations; for these events the following requests/needs have been successfully accommodated:

- Mobility;
- Reduced hearing;
- Injuries requiring additional physical support;
- Dyslexia;
- Nasogastric (NG) feeding.

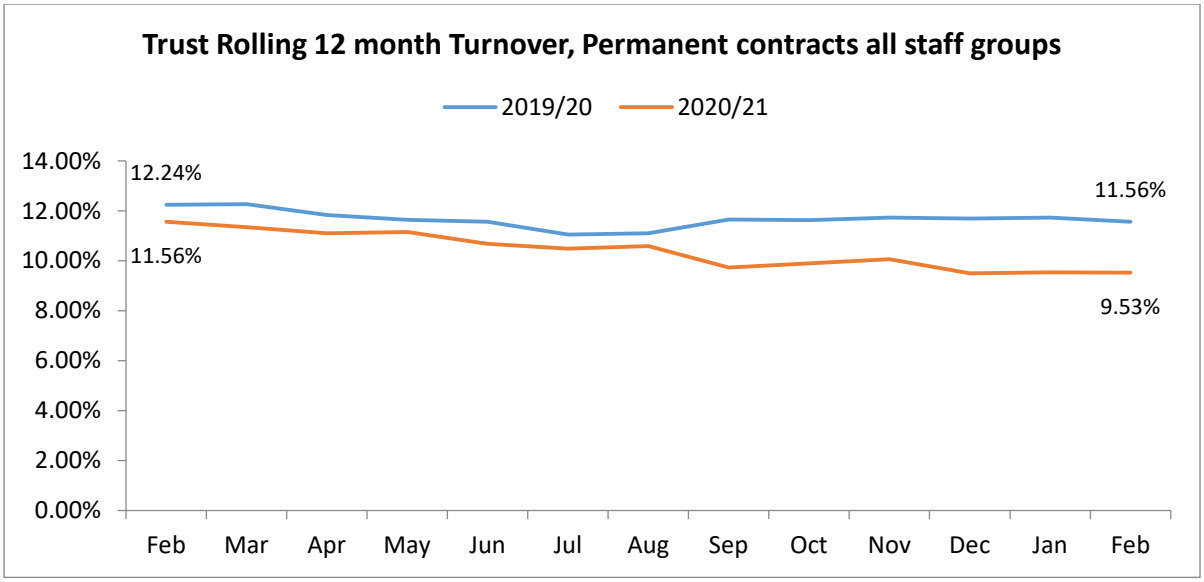
The Trust Apprenticeship and Careers team work closely with managers to provide any additional support for apprentices and other members of staff with disability onto programmes and into the workplace. The Education Team’s Lecturer Practitioners have supported and signposted nursing staff with dyslexia and provide flexible support to any delegate who requires additional help, regardless of whether or not they formally identify as disabled.

6.2.5 STAFF TURNOVER

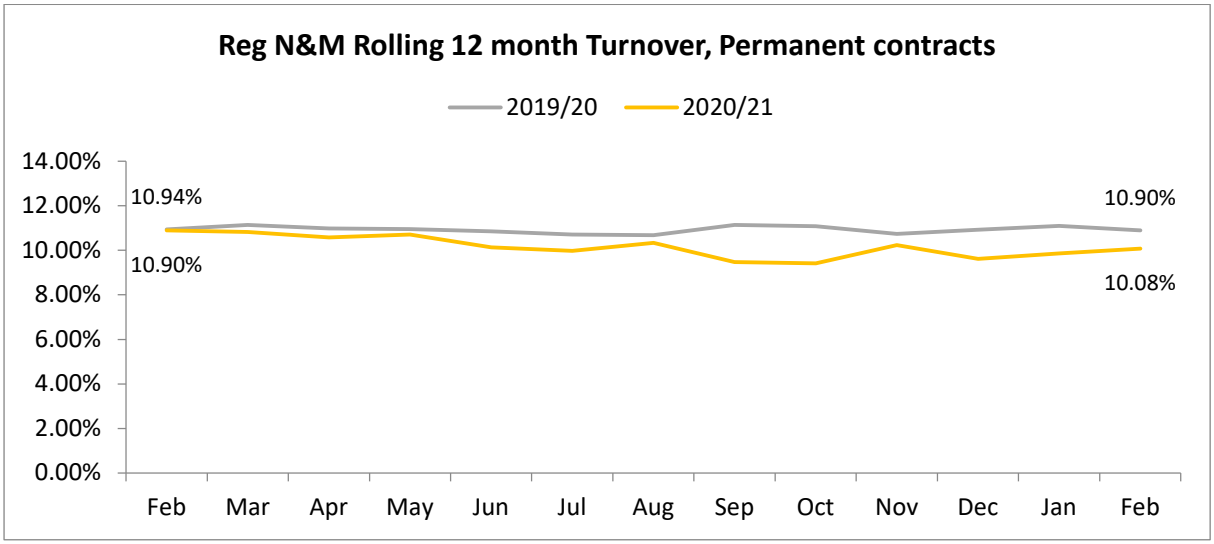
This staff turnover information does not include Gloucestershire Managed Services (GMS) bank or agency staff.

The past 12 months have been particularly challenging in terms of workforce given the ever changing demands as a result of the pandemic. This was particularly so in the first surge when we were dealing with the almost unknown.

In 2019/2020 we made very good progress in terms of staff turnover, being in the top quartile of our model hospital peer group. During this extremely testing year staff turnover has significantly improved and, using the most up to date 12 month data available at the time of writing this report our Trust turnover as at February 2021 was 9.53% compared to 11.56% in February 2020.



Registered Nurse turnover has reduced and now stands at 10.08% compared to 10.90% in 2020. Again in terms of our comparators we have the lowest level of turnover.



Whilst this is welcome news in terms of improved turnover it should also be viewed with some caution. One explanation could be the increased stability as a result and effect of the pandemic, but it is not known if this is sustainable over the medium to long term. It is universally recognised that the stresses and strain of working under pandemic considerations has had a significant impact on colleagues health and wellbeing both physically and psychologically; especially those directly involved in patient care.

As such we are taking a cautionary approach and do not intend to alter our position as a Trust in recognising that staff workforce supply and in particular, clinical workforce supply remains one of the most challenging issues that NHS organisations are currently facing.

The attraction, recruitment, retention and engagement of our workforce remains a

significant current and future priority for the Trust, in line with our Trust strategic objectives *Compassionate Workforce.*

To this end the Trust has continued its Ethical International Recruitment despite the pandemic, albeit this was affected by the number of International travel restrictions and quarantine requirements/rules. This affected the recruitment of Qualified Nurses and Radiographers. Despite these restrictions 31 Nurses and six Radiographers have joined the Trust during this report period.

During 2020 we have continued to recruit staff making special rapid recruitment arrangements which have proven extremely successful and many will be adapted and adopted going forward.

In addition we have continued with the following programmes:

- Apprenticeships – across the professional groups including Radiographers;
- Trainee Nurse Associate (TNA) – although April 2020 intake course was delayed;
- Trainee Radiographers Apprenticeship scheme with a local university;
- Advanced Clinical Practitioner (ACP) – appointed both qualified and trainees.

In 2021/2022 the Trust is committed to:

- Continue to reduce staff turnover through positive retention initiatives;
- Ethical Nurse Recruitment – plan up to 100 nurses to be recruited and supported;
- Working in partnership with local universities to ensure deliver of Nursing Associates (NA) “Add On” to nursing degree.

These plans will be reviewed as part of the Phase 4 work required under the NHS Response to the COVID-19 pandemic programme of work.

6.2.6 ACTION TAKEN TO UPDATE EMPLOYEES ON MATTERS OF CONCERN TO THEM

Our strategic objectives

Following on from 2019 which saw the Trust embed its Journey to Outstanding programme and the establishment of our strategic objectives, work has continued to build upon achieving these objectives. This was achieved by utilising both established and new forums; and through survey tools.

Whilst the impact of COVID-19 cannot be ignored it has also driven us to improve and develop new means by which we can engage staff through technology such as MS Teams and Zoom meetings.

We also used Webinars and Facebook live sessions not only to share Trust initiatives with colleagues but also as a platform for staff to engage and comment on our priorities. Examples of this being:

- Big conversation around Black Lives Matters;
- Centres of Excellence shaping our future infrastructure to deliver patient care.

The launch of the People and Organisational Development Strategy 2019/2020 created a means to plan and deliver linked Trust objectives.

The strategy focuses on delivering upon two specific outcomes defined in the overall Trust Strategy:

- To have a compassionate, skillful and sustainable workforce, organised around the patient, that describes us as an outstanding employer who attracts, develops and retains the very best people;
- To place Quality improvement at the heart of what we do; our staff feel empowered and equipped to do the very best for our patients and d one another.

The strategy describes four pillars which act as enablers to the delivery of the outcomes described above:

- **Workforce sustainability** – to continue to develop our skilled, compassionate and caring workforce to meet the needs of our patients, colleagues and partners whilst being mindful of future needs and service demands. To attract, recruit, develop and retain the best people.

- **Equality, Diversity, Inclusion and Human Rights** – colleagues will recognise we act with fairness, respect, equality, dignity and encourage autonomy. Colleagues will recognise that this is central to our values and behaviours.

- **Colleague experience** – colleagues will recognise the Trust as outstanding, they feel empowered and are confident that the Trust is driven by its values and ambition to excel in patient care.

- **Transformation** – colleagues are organised around the patient, equipped and inspired to deliver the best care for everyone.

The 100 Leaders and Extended Leaders forum have continued whenever possible during the pandemic. This forum has provided an excellent means to focus on the People and OD People Strategy and objectives of “Caring for those who care”.

The output and information shared then transcends to colleagues throughout the Trust by means of Divisional and Department engagement routes. Videos and other information from 100 leaders are also shared Trust wide via the intranet.

During this report period the People and OD teams developed and launched a monthly information bulletin, which has proven an excellent engagement tool in delivering upon the agenda and promotes positive messaging.

As a Trust we have also started to adapt and adopt the principals applied to the Nursing and Midwifery Programme to Excellence (P2E) premise. As one of the 14 early implementers of the NHSA Pathway to Excellence programme we have mirrored this structure in other areas to form an established “Council structure” to

bring about the cultural and transformational change needed to create a healthy and vibrant workforce.

Through this Council structure we are introducing mechanisms for colleagues to shape the culture, processes and influence decisions about how care is structured and delivered in our Trust for both patients and colleagues. Through delivering the P2E shared professional decision-making standard we are creating opportunities for colleagues be involved in decision-making.

This in turn also provides the platform to keep colleagues appraised of what is happening through their peers who are members of these Councils.

Examples of this are:

- Patient and colleague group;
- Diversity network which includes subgroups;
- Ward Councils;
- BAME Council;
- LGBTQ Council.

In 2021/2022 we will continue to build on this approach.

Contributing to our Future Operating Model and Footprint

Centres of Excellence (Fit for the Future)

Fit for the Future is the ICS programme that will move the System's strategic aims into form. One key workstream of Fit for the Future is the 'Centres of Excellence' model of care for hospital services which presented options for service delivery including developing outstanding specialist hospital care in the future across the Cheltenham General and Gloucestershire Royal hospital sites.

Initially during 2019/2020 the focus of engagement activities under the Centres of Excellence programme described how hospital services could be modelled to meet our vision, explaining this would be achieved over a number of Phases over next 10 years plus.

The Trust involved staff to:

- Seek clinical input into the development of a clinical model;
- Test the vision with wider staff groups and system partners;
- Raise awareness of the programme;
- Seek feedback on the programme as it progressed.

During 2019/2020 a total 1,624 staff from across the Trust and the wider Integrated Care System (ICS) contributed their ideas to the solutions which led to the Fit For the Future strategy. Staff contributed through semi structured interviews, workshops, engagement road shows and structured meetings with independent chairs who established criteria and assessed options with clinicians.

Following those extensive engagement sessions in 2019/2020 formal consultation commenced during 2020/2021 in respect of Phase One of the proposed Centres of Excellence reconfiguration.

Despite the challenges of the pandemic we delivered a comprehensive consultation and the full consultation process. The extensive formal consultation captured both public and staff and included:

- Leaflet drops;
- Booklets;
- Information stands;
- Public forum sessions;
- Roadshows including information buses;
- Online including survey;
- Citizens' Juries.

More specifically and aimed at staff, consultation included:

- Dedicated Trustwide presentations virtually via MS Teams etc, drop in sessions (socially distanced);
- Specialty specific presentation both virtually and drop in style (obeying social distancing);
- Engagement with staff side organisations;
- Live Facebook sessions both general in nature and also others specialty specific; made available for staff and public – this was by far the most popular method of engagement.

Following the conclusion of the formal engagement a decision making process was then established.

The full consultation process and its outputs were carefully scrutinised by an independent Citizens' Jury who made a number of recommendations that were also reviewed by the Board.

The recommendations supported were:

- Formalise 'Pilot' Configuration for Gastroenterology inpatient services at CGH;
- Formalise 'Pilot' Configuration for Trauma at GRH and planned Orthopaedics at CGH;
- Centralise Emergency General Surgery at GRH;
- An Image Guided Interventional Surgery (IGIS) 'Hub' at GRH and a 'Spoke' at CGH;
- Centralise Vascular Surgery at GRH;
- Centralise Acute Medicine (Acute Medical Take) at GRH;
- Planned General Surgery: The recommendation is that work should continue to develop the option that would deliver;
- Planned High Risk Upper Gastrointestinal (GI) and Lower Gastrointestinal (Colorectal) surgery at GRH;

- Planned complex and routine inpatient and day case surgery in both Upper and Lower GI (Colorectal) at Cheltenham General Hospital.

Following presentation at the Clinical Commissioning Group's Governing Body, these recommendations have been ratified and accepted which moves our plans forward to implement these changes over the next three years.

Contributing to our future Estate Strategic Site Development

As part of the Trust's programme to invest £39.5m into the two acute sites, following the successful submission of the Outline Business Case (OBC) (including full engagement from staff, patients and wider stakeholders) the Final Business Case (FBC) has full Board sign off and is in the final scrutiny stage of being signed off by Department of Health and Social Care (DHSC).

Four levels of engagement have taken place during 2020/2021:

- Clinical;
- Non-Clinical;
- Patient & Public Involvement;
- Leadership.

The principles of engagement established were:

- It happens early and continues throughout the process;
- Is inclusive;
- Is informed;
- Is fit for purpose;
- Is transparent;
- Is influential – it makes a difference;
- Is reciprocal – includes feedback;
- Is proportionate to the issue.

The Trust surveyed patients, stakeholders and colleagues to gain views on the physical sites and how the Trust could invest the capital funding provided to meet the objectives set. Plans, models and detail of possible build options have been used to engage staff to make the build 'feel real' and enable the Trust Leadership Team and Board to agree the particulars of the OBC and ultimately the FBC.

Work is programmed to commence in terms of actual build in July subject to final ratification by DHSC.

Defining our commitment to sustainability

This Trust declared a Climate Crisis Emergency and committed to becoming carbon free by 2040.

This decision was taken by the Trust in December 2019 following staff engagement and essential to the success of this bold plan is staff involvement and commitment.

In October 2020, NHS chief executive Simon Stevens announced that the NHS would be reducing carbon emissions to net zero, with the aim of being the world's first net zero national health service. There are two targets, based on the scale of the challenge posed by climate change, current knowledge, and the interventions and assumptions that underpin the existing analysis of the issues.

- **the NHS carbon footprint:** for the emissions we control directly to be net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2033;
- **the NHS carbon footprint plus:** for the emissions we can influence net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

The pandemic reframed how we worked and we developed many new working practices within the health system, some of which have had positive environmental impacts, such as virtual working.

The reduction of on-site patient activity during the height of the pandemic, lower visitor numbers and fewer staff on site all had an impact on:

- Transport
- The type of waste produced
- Linen usage
- Catering

The Trust's Sustainability Committee oversees and drives our sustainability plans and is led by Elaine Warwicker (Non-Executive Director) and Steve Hams (Director of Quality and Chief Nurse).

At the time of writing this report, plans are in place to create a group of "Green Champions" who are sustainability enthusiasts who will:

- Help to promote climate emergency initiatives across the Trust;
- Be a role model and encourage colleagues to take positive actions;
- Collect ideas and feedback from their department.

The first meeting attended by champions was held April and the Trust will also publish the new Green Plan in April 2021. This will show how the Trust will act on the climate change emergency and the steps that will be taken to help the NHS reach carbon neutrality by 2040.

Engaging on digital solutions

A new electronic patient record (EPR), developed and designed with Trust nursing and clinical teams, was successfully launched December 2019. Called Sunrise EPR, it allows nursing staff to complete admission documents, risk assessments and log essential patient observations in one system, using mobile computers at the bedside.

The hospital has realised huge benefits from Sunrise EPR, ranging from the clinical management of patients, to the reporting of essential data. Clinicians being able

to instantly monitor and track (even remotely) the most unwell patients; acute care response teams can effectively manage caseloads and provides a real-time picture of what's happening across both hospitals. As well as releasing more time to care for patients, it is estimated that Sunrise EPR has saved £80,000 on printing costs and 80 trees to date.

Designing and implementing the new EPR solution involved engagement with staff to ensure the system was meaningful to users.

During 2020/2021 the Trust continued the roll out of Sunrise EPR in all areas within the GRH, and commenced the roll out in on the CGH site.

The roll out of Sunrise EPR has been a universal success and the benefits, particularly through COVID-19 activity, have been felt by both colleagues and our patients.

The pandemic brought to the forefront the issue of Virtual Appointments in terms of outpatient's clinics.

Whilst there was some trepidation for some colleagues this has proven to be very successful and has undoubtedly allowed the continuation of activity that at best would have been subject to delay, or at worst cancelled, due to social distancing, activity etc. linked to the impact COVID-19.

In addition great strides have been made in the digital support for staff working remotely including being based at, and working from, home.

This has not only benefitted individuals but also:

- Allowed us as a Trust to better support the Government Stay at Home directive;
- Support colleagues who have been forced to shield;
- By supporting colleagues who are shielding with home working arrangements this has allowed services to continue to function.

The Trust is now reviewing how working from home can become part of how we conduct our business thereby reducing our carbon footprint and enabling the Trust to make decisions on future Estate footprint.

Other forms and methods of communication

The Trust has continued to grow/expand its presence across social media channels such as Facebook, LinkedIn and Twitter during 2020/2021; recognising these are popular platforms from which to communicate with our workforce. The Trust has also heightened its profile with news media outlets partaking in an information campaign of working and caring for patients during COVID. Trust colleagues played a pivotal role in this being given the opportunity to share with the public their experiences during the pandemic.

In terms of updating staff on programmes of work and operational matters the Trust has used a variety of methods to communicate. The Trust recognised that in order

to update an entire workforce, a variety of communication tools should be deployed, especially during the extremely difficult times experienced over the last 12 months. To this end despite the pressures of work the Trust ensured that means of communication were kept open and that Trust colleagues had access to this information including:

- Regular staff updates produced on almost a daily basis which always includes a message from the CEO/Deputy CEO;
- COVID-19 information, Trust wide and service specific information;
- Regular Video Log "Vlog" by the CEO with invited guests to share key messages and update staff on forward planning information and latest developments in the Trust;
- As part of the commitment to openness and transparency the morning and afternoon operational brief/update and discussions, led by the Medical Director, were open to all Trust employees to joining on MS Teams regardless of role/status;
- Weekly senior leadership Task and Finish group;
- Posters and leaflets;
- Manager newsletters;
- Health and wellbeing newsletters;
- Infographics;
- Newsletters to shielders and ethnic minority colleagues;
- Webinars on matters relating to PPE, Vaccines, risk assessments;
- Training videos such as PPE donning and doffing;
- On line and e learning material;
- Group zoom calls of support – shielders, ethnic minority colleagues;
- Postcards;
- Use of guardians to champion messages – PPE safety officers, social distancing champions.

Even at the height of the pandemic these communications not only continued but indeed increased – the overall drive being to engage and inform staff at this vital time, as early and as regularly as possible.

Board and Senior Leadership Team continued to connect with colleagues on issues that matter to them.

Despite the impact of COVID-19 the Trust, where possible, continued to regularly holding meetings of its 100 leaders and the Extended Leaders Network. Where, due to extremely high levels of COVID-19 activity, regular meetings/groups/forums had reduced agenda's and in extremis were postponed, but reestablished at the earliest opportunity Senior leaders at a Divisional level also prepared engagement plans; drop in clinics and safety visits to keep staff connected with their priorities and the strategic objectives.

Operational changes such as moves between wards were guided by a process of change which set out best practice for communicating change to affected staff even where the change was not considered to be necessary as part of formal consultation.

Notable examples of engagement include:

- Engaging with staff on the urgent implementation of ward/department reconfiguration as a result of the impact of COVID-19;
- Engaging with colleagues on the staff survey results and equality objectives at a multidisciplinary, cross divisional forum to identify key objectives and actions forming the Trust's Staff Survey Action plan for 2020-2021;
- Supporting the Trust's Diversity and Inclusion agenda;
- Engaging with nursing colleagues on embedding the Nursing Accreditation and Assessment Standards and Pathways to Excellence;
- Engaging on winter planning and reconfiguration of wards and specialisms;
- Engaging on the supporting and enabling strategies which support the Trust objectives;
- Engaging on digital programmes of work like Sunrise EPR and E-obs;
- Patient and colleague group;
- Health and wellbeing group;
- Equality Diversity and Inclusion steering group;
- Diversity network which includes subgroups;
- BAME council
- LGBTQ council.

6.2.7 ACTIONS TAKEN TO CONSULT WITH STAFF, OR REPRESENTATIVES, TAKING VIEWS INTO ACCOUNT ON MATTERS LIKELY TO AFFECT THEIR INTERESTS

There are a number of ways in which the Trust Leadership Team (TLT) seeks to listen to the voice of colleagues, whilst consulting with teams and individuals in a meaningful way. At a local level, this is demonstrated through encouraging an open and transparent culture, sharing news and ideas with teams and listening to employee views. The Board, Executive and TLT are committed to being "visible", utilising opportunities through planned and unplanned 'back to the floor' events to seek feedback and listen to staff views on current issues. However due to COVID-19 restrictions during 2020/2021 this has been somewhat restricted but adaptations were made such as moving team visits and Journey to Outstanding (J2O) visits to be virtual (12 virtual J2O visits took place from October to March).

The TLT has endeavoured to make the most of engagements that took place through large programmes of work of engagement such as:

- The 'Big Conversation'
- Centres of Excellence

Formally, our Executive Team proactively engages with elected staff side representatives in the Joint Strategic Staff Council (JSSC) and Local Negotiating Committee representing Medical staff. Whilst the independent committee structures and constitution agreements provide a formal mechanism for consultation, these forums are commonly utilised to share less formal updates on day to day business and to discuss issues that really matter to staff. Issues can range from updates on the Trust's financial position and local consultation exercises; to everyday concerns

such as car parking and estate issues. Weekly calls to explain and describe ward changes were held with the chair of the JSSC and HR Business Partners to ensure staff were engaged and well informed.

In addition to staff side colleagues, the Trust has a number of elected Staff Governors who are committed to representing the voice of their constituents and whom regularly provide feedback via the Council of Governors, Board and its sub-committees. Staff governors were also invited into groups such as the People Advisory Group to represent their staff groups.

The Director of People and OD/Deputy CEO, and Director of Operational People and OD regularly meet staff side representatives on a one-to-one basis and their regional counterparts through two Regional Strategic Partnership Forums. The Director of People and OD also meets monthly with ICS HR Directors to ensure partnership work within the system and is a member of the Regional People Board in her capacity as co-chair of the SW HR Directors forum.

The People and OD team, such as the Human Resource Business Partners, liaise with staff side on programmes of work, initiatives and employee issues. The established People and OD governance structure encourages members of staff side to be represented at each working group.

The Staff Survey results are a focus of discussions with all staff side groups. These results provide the Trust with a regular opportunity to consider feedback on a number of key issues, whilst our Colleague and Patient Experience and Improvement Group seeks to triangulate this data with a wide range of other metrics and feedback, such as Freedom to Speak Up data, Employee Relations cases, Staff absence and staff turnover, patient experience information to identify areas of concern.

6.2.8 ACTIONS TAKEN TO ENCOURAGE THE INVOLVEMENT OF EMPLOYEES IN OUR PERFORMANCE

Through the range of aforementioned communication methods, the Trust Leadership Team seeks to involve colleagues by providing regular updates regarding the Trust's performance. Regular presentations to the staff side joint committee and the Local Negotiating Committee by both the Chief Executive and Executives, provides an opportunity to share key messages and capture staff feedback.

Staff are encouraged to put forward ideas for performance and service improvements through a number of our governance forums, the Service Delivery Group and mail boxes such as #CIP ideas. The Trust's Freedom to Speak Up Guardians also play an instrumental role in raising concerns which improve performance and quality issues.

In addition the Trust is renowned for its improvement culture and approach to quality improvement with extensive staff involvement in leading projects which improve patient care, experience and ultimately Trust performance.

As noted in the CQC 2019 report: *"Across the Trust there was a fully embedded and systematic approach to improvement called the Gloucestershire Safety and Quality Improvement Academy (GSQIA). This framework empowered front line staff with the tools to support a change and implement a quality improvement project. Staff said that this had created a recognisable brand, and some described it as a "social movement". Throughout all the focus groups there was a narrative on quality improvement and innovation. Staff at all levels were engaged in the process and could give examples where quality of care for patients had improved because of quality improvement projects."*

Bronze, Silver and Gold QI training continues in the Trust and it is hoped that in 2021/2022 we can again reach the high levels of trainees that we attracted prior to COVID-19 to continue to focus on improvements in patient experience, safety and outcomes.

As part of the Shared Governance: Collective Leadership Programme, NHS England and NHS Improvement supported the first national cohort of organisations to go on to apply to join the global American Nurse Credentialing Centre (ANCC) Pathway to Excellence® accreditation. The programme is working to create 'nursing and midwifery excellence', aiming to create a positive practice environment for nursing and midwifery staff that improves **satisfaction and retention**. The national programme is made up of three central components.

- Nursing and Midwifery Excellence;
- Shared Professional Decision-Making;
- Local Accreditation.

The programme aligns with Chief Nursing Officer for England's national vision to establish an England-wide collective leadership model with a focus on transformational leadership, research and innovation. As a Trust, we joined the national programme and are proud to be one of the 14 early adopter Trusts.

This Pathways to Excellence model (P2E) is very much in keeping with our own Trust's "Journey to Outstanding". As such we have mirrored this structure in other areas to start to form a Council structure to bring about the cultural and transformational change needed to create a healthy and vibrant workforce.

Through a Council structure we are introducing mechanisms for colleagues to shape the culture, processes and influence decisions about how care is structured and delivered in our Trust (positive practice environment). Through delivering the P2E **shared professional decision-making** standard we are creating opportunities for colleagues be involved in decision-making, keeping them appraised of what is happening through their peers.

6.2.9 INFORMATION ON HEALTH AND SAFETY PERFORMANCE AND OCCUPATIONAL HEALTH

The Health and Safety Committee is chaired by the Director of People and OD/Deputy CEO and assurance on compliance is managed through the People and OD Committee. The Trust has an expert Health and Safety/Corporate Risk Manager and has centralised the health and safety team. The Board are regularly updated on Health and Safety Executive (HSE) / CQC visits and any improvement notices and serious incidents relating to health and safety matters.

Our current Occupational Health provider has moved location so is no longer able to provide services from Trust premises. The Trust has therefore taken the opportunity to fully review the provision of service in terms of what we require now and, importantly, in the future that is sustainable and affordable. We will follow the required tendering process in line with NHS policy, to ensure we engage a provider that meets all our needs and required level of service.

Health and Safety Performance

The Trust has continued to manage performance and monitor progress against the Health and Safety objectives and measures agreed for April 2020 to March 2021. These are reported at divisional and Trust level on a bi-monthly basis and up through the governance structure to the People and OD Committee. Good progress has been made in the reporting period against many of these objectives, such as increasing health and safety resources, the creation of the Risk Assessment Library and a significant improvement around timely RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reporting and investigations.

For the majority of 2020/2021 the health and safety team have been focused on achieving and maintaining our COVID Secure status, supporting staff welfare and have led on personal COVID-19 risks assessments to keep staff safe and informed.

In addition the health and safety team are also part of the Vaccination Programme Team supporting a safe and efficient vaccination programme across Gloucestershire. This work has been underpinned by day to day health and safety activities to ensure that hazards that are risks associated with normal operational activities are properly managed.

Health and Safety Executive (HSE) Inspections

There have been no HSE Improvement Notices served against the Trust in 2020-2021. The HSE recently completed an annual inspection of our Category 3 Microbiology Laboratory which resulted in two verbal recommendations only. The HSE also completed a spot COVID Secure check during this inspection where no formal or written requirements were raised.

Care Quality Commission (CQC) Intervention

Following a fatal health and safety incident on the site of GRH in late 2018 the Trust recently attended a Coroner's inquest. The inquest finding was accidental death. The CQC have not progressed enforcement action in relation to this incident to date.

6.2.10 COUNTER FRAUD POLICIES AND CORRUPTION

The Trust has a designated Local Counter Fraud Team and works within the 'countering fraud and corruption' policy framework. The Raising Concerns Policy and the promotion of Freedom to Speak Up Guardians, provide a framework for staff to raise concerns anonymously or to selected senior managers. The Trust also support an online system which enables anonymous reporting of issues of concern.

The Gloucestershire Local Counter Fraud Service provides Gloucestershire Hospitals NHS Foundation Trust with prevention advice, detection and investigation of fraud, theft, embezzlement, corruption and any other irregularities against our hospitals. Every employee and individual acting on behalf of our organisation is responsible for maintaining the Trust's reputation and for conducting business lawfully and professionally.

The Board and senior management team are committed to implementing and enforcing effective systems throughout the Trust to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.

6.3 STAFF SURVEY

6.3.1 RESPONSE RATES

Response rates for the 2020 Staff Survey were down 2% to 48%, but 3% above the median response rate for comparator organisations (acute Trusts). *Annual Report and Accounts 2019/20*

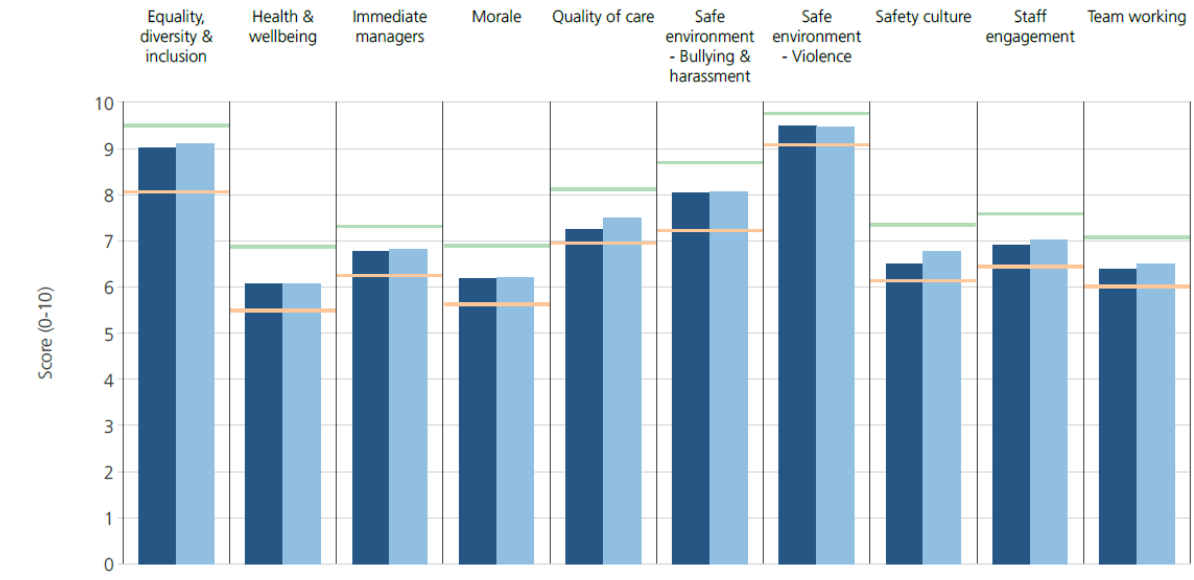
6.3.2 SUMMARY OF PERFORMANCE AT THE TRUST

Theme	2019 score	2019 respondents	2020 score	2020 respondents	Statistically significant change?
Equality, diversity & inclusion	**9.1**	3345	**9.0**	3491	Not significant
Health & wellbeing	**5.8**	3368	**6.1**	3509	↑
Immediate managers †	**6.8**	3379	**6.8**	3508	Not significant
Morale	**6.1**	3339	**6.2**	3507	Not significant
Quality of care	**7.3**	2995	**7.3**	3080	Not significant
Safe environment - Bullying & harassment	**8.0**	3355	**8.0**	3490	Not significant
Safe environment - Violence	**9.4**	3348	**9.5**	3500	Not significant
Safety culture	**6.5**	3360	**6.5**	3510	Not significant
Staff engagement	**6.9**	3401	**6.9**	3517	Not significant
Team working	**6.5**	3347	**6.4**	3466	Not significant

Changes since 2019 survey

- Statistically significant improvement in one theme: Health & Wellbeing;
- Improvements also reported in the following themes: Morale; Safe environment – violence;
- Scores in five themes remain unchanged since 2019: Immediate managers; quality of care; safe environment – bullying & harassment; safety culture; staff engagement;
- Scores have dropped in two themes: Equality Diversity and Inclusion; Team working.

6.3.3 SUMMARY OF PERFORMANCE AT THE TRUST AGAINST COMPARATORS



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.0	6.1	6.8	6.2	7.3	8.0	9.5	6.5	6.9	6.4
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	3,491	3,509	3,508	3,507	3,080	3,490	3,500	3,510	3,517	3,466

In 2020, against its acute benchmark, the Trust responses were:

- on average: health and wellbeing; immediate managers; morale; safe environment violence;
- below average: Equality diversity and inclusion (-0.1); quality of care (-0.2); safe environment bullying & harassment (-0.1); safety culture (-0.3); staff engagement (-0.1); team working (-0.1).

6.3.4 PRIORITIES FOR 2021/22

Following engagement with multidisciplinary colleagues representing all divisions, the action plan below was agreed in 2019 before the COVID-19 pandemic. It was agreed that these should cover a two-year period to accommodate the impact of COVID-19 and reflect the fact that it takes time to embed changes to practice and see the impact.

Priority	Actions identified for 20/21	Linked to theme/s
1. Develop and strengthen our compassionate culture	• Launch revised values and new compassionate behaviour framework • Design and deliver Compassionate Leadership programme for leaders and managers, which includes a clear section on both giving and seeking feedback on work/changes **Priority divisions/staff groups:** • Diagnostics • Healthcare Scientists • Medical & Dental	Immediate Managers Team Working Staff Engagement
Progress made in 2020/21 • Compassionate behaviours framework launched October 2020; • Compassionate Leadership programme launched December 2020. Will be mandatory for all leaders and managers to attend. We will continue to rollout and embed these resources in 2021/22.		
2. Proactively address bullying, harassment and discrimination experienced by colleagues	As above, plus • Embed principles and practice of Civility Saves Lives • Extend the support to colleagues around Speaking Up/Raising Concerns • Launch and embed Reasonable Adjustments passport **Priority divisions/staff groups:** • Medicine • Surgery • Medical & Dental • Nursing & Midwifery • BAME • Disabled • 21-30 year olds • LGBTQ+	Bullying and Harassment Equality Diversity and Inclusion Safety Culture
Progress made in 2020/21 • Launched 'the Big Conversation' and Equality actions as referenced in **section 7.2.3** above • Launched new Diversity network sub groups; • BAME council; • Embedded civility saves lives in compassionate leadership material; • Embedded the 2020 hub as the place to assist with reasonable adjustments		

Priority	Actions identified for 20/21	Linked to theme/s
resulting in a positive response to supporting these in the staff survey; • Received approval to embed 'respectful resolutions' in the forthcoming year; • Increased numbers of Freedom to Speak Up Guardians in the Trust to seven; • Launched a wellness check-in toolkit for staff; • Launched an 'About my health and wellbeing' booklet which staff can use to store information about a disability, long-term health condition, mental health issues and learning disabilities or difficulties. We will continue to rollout and embed these resources in 2021/22.		
3. Continue to improve experience of appraisals and access to education and talent development opportunities	• Launch revised Appraisal paperwork (updated following feedback) • Expand talent development opportunities through the Accelerated Development Pool (ADP) with explicit focus on under-represented groups including BAME and disabled colleagues • Improve experience of medical appraisals **Priority divisions/staff groups:** • Women & Children • Medical & Dental • BAME • Disabled	Quality of appraisals
Progress made in 2020/21 • Launched revised appraisal paperwork and associated training; • Refreshed ADP referral process; • Developing ICS BAME, LGBTQ+ and Disabled stepping up programmes for colleagues and their managers; • Embedded mentoring and coaching with a focus on expanding the programme for ethnic minority colleagues; • Developed and introduced a diverse Peer Support Network; • Scoping model employer aspirations to meet requirements by 2024.		
4. Continued focus on the safety, health and wellbeing of colleagues	• Extend the support to colleagues around Speaking Up/Raising Concerns • Identify specific activities and support for colleagues and managers around stress / resilience and MusculoSkeletal (MSK) injuries • Identify the learning and actions taken from the COVID-19 response that we can usefully	Health and wellbeing Safety culture Violence

Priority	Actions identified for 20/21	Linked to theme/s
	embed into our daily BAU practice to promote colleague safety and wellbeing **Priority divisions/staff groups:** • Medicine • Surgery • Additional Clinical Services • Nursing & Midwifery	
Progress made in 2020/21 • Increased numbers of Freedom to Speak Up Guardians in the Trust to seven; • Devised Infographic on health and wellbeing services during and post COVID; • Reduced MSK sickness absence; • Follow up of staff off sick for more than 28 days by 2020 Hub to ensure appropriate resources have been accessed; • Fast track physio services for colleagues; • Additional mental health support for colleagues. We have plans to continue our focus on the wellbeing of colleagues in 2021/22.		

The Colleague and Patient Experience Improvement Group will continue to monitor progress and delivery of specific actions against these priorities regularly. This will be overseen by the People and OD Delivery Group and the People and OD Committee.

6.3.5 PROGRESS AGAINST PEOPLE & ORGANISATIONAL DEVELOPMENT STRATEGIC PRIORITIES

In the People and OD Strategy 2019-24 the Trust identified five staff survey themes and set an ambition to make significant progress in reported experiences by March 2022. Below outlines the progress. Progress has inevitably been adversely impacted by COVID-19.

Staff Survey Theme	Staff Survey 2018	Staff Survey 2019	TARGET Staff Survey 2020	ACTUAL Staff Survey 2020	Comments
Staff Engagement 	6.8	6.9	7.3	**6.9**	**<u>0.4 adrift from target</u>** There was no movement from 2019 staff survey
Equality & Diversity 	9.2	9.1	9.5	**9.0**	**<u>0.5 adrift from target</u>** There was a decrease of 0.1 from 2019 survey outcome. Many of the

					initiatives/actions that have occurred in the period of this report have taken place in the second half of the year post the 2020 staff survey
Health & Wellbeing 	5.8	5.8	6.3	**6.1**	**0.32 adrift from target** Whilst not achieving target there was an increase of 0.3 compared to 2019 staff survey results.
Immediate Managers 	6.7	6.8	7.3	**6.8**	**0.5 adrift from target** There was no movement from 2019 staff survey
Morale 	6.0	6.1	6.4	**6.2**	**0.2 adrift from target** Whilst not achieving target there was an increase of 0.1 compared to 2019 staff survey results.

6.3.6 WORKFORCE SUSTAINABILITY

As stated in our Trust Compassionate Workforce objective we aim to have:
A caring, compassionate and skilled workforce. A Trust able to attract, retain and develop the best people.

Under workforce sustainability the Trust's key initiatives are:

1. Embed a strong unique employer brand to attract the best talent and embed value based recruitment;
2. Recognise the talent of colleagues and retain;
3. Develop new roles and career pathways;
4. Understand supply changes and demands and analyse current and future needs;
5. Develop and implement new workforce models within the Trust and with partners;
6. Integrated Care System (ICS) education and workforce collaboration;
7. Placement capacity and student experience.

Successes during the 2020/2021 year against these objectives include:

- Initiated a campaign Video linked to expanding our services and staff with the tag line "Grow Gloucester and built more bank networks;

- Continued to improve supply routes to the Trust for key roles such as nurses;
- Made considerable progress/strides in our trust commitment to the EDI agenda as detailed in Section 7.2.3 Diversity and Inclusion above.
- Further increased number of bank staff, particular in response to the demands related to the impact of COVID-19;
- Continued to improve attraction and pipeline of nurses and established a pipeline that looks to improve supply by 5-10% annually;
- Despite COVID-19 restrictions we have continued with our Ethical International Recruitment having recruited 31 during this report period;
- Overall our turnover has significantly reduced in the past 12 months by 2.03%, down from 11.56% in 2019/2020 to 9.53% in 2020/2021. All professional staff groups have seen a reduction in turnover in the past year;
- We have reduced overall Trust turnover to benchmark with peers in the top quartile;
- Our Registered Nurse turnover rate has reduced by 0.82% from 10.90% in 2019/2020 to10.08% in 2020/2021; this rates favorably with our comparators.
- Continued with our 'step on' nurse degree pathways to BSc;
- Have worked with our University colleagues and have established "Top Up" Nursing associate places, at the end of which they will be qualified registered nurses;
- Despite the impact of COVID-19 we have continued to recruit trainees to our co-designed MSc modules with Higher Education Institutes for Advanced Clinical Practitioner (ACP) roles and currently have nine trainees with further recruitment currently taking place. All reflect the aligned supply with the Trust and Divisional workforce plans;
- We have further developed the ACP role and delivery into roles that include Acute Care, Emergency Stroke, ICU, Frailty and the now expanded Acute Response Team;
- In addition to the reintroduction and implementation of the Associate Specialist roles in Acute Medicine have commenced the expansion of these roles to include Audiology, Pathology, Theatre/ODP Practitioners and Radiology;
- Expansion of news role including establishment of Nurse Consultant role within Pediatrics and three additional Physician Associate roles (Pas) within ED;
- Working with our University colleagues have established BSc Radiographers course. This will further expand our "Grow our Own" approach to the national shortage of Radiographers;
- Embedded our Trust talent development processes, Accelerated Development Programme (ADP) included the "self-nomination" process that allows staff the opportunity to put themselves forward for consideration to join the ADP;
- Continued, despite COVID-19 with our long term Trainee Nurse Associate TNA) programme;
- We continued with our Apprenticeship programmes, even though as with other academic programmes this has been impacted by COVID-19 offering 41 different apprenticeships at level 2 to 7;
- We continued to ensure delivery of an education 'plan on a page' for year one;
- Continued to deliver upon programmes of work together with Health Education England (Nursing Associates, leadership skills and tool kits, OD Skills, Advanced Clinical Practitioners);

- We have delivered upon an Integrated Care System (ICS) workforce plan and commence solutions to building work in partnership rather than competition;
- Have delivered upon the ICS “People Plan”;
- Adopted Model Hospitals, improving upon the targets as set by NHSI to increase the number of BAME colleagues holding roles at band 8a and above;
- We have taken action to encourage BAME colleagues to participate in the organisation and ICS –wide Leadership Development Programmes;
- We have increased adult nursing placements and have the highest number in the South West on paid placements (approximately 180);
- Continued to improve on the collaboration with Higher Education Institutes to ensure local educational provision meets the Trust and ICS five year workforce plan;
- As a direct result of and in response to COVID-19 developed and implemented a “Rapid Recruitment” package including Induction;
- Devised and implemented our compassionate culture frameworks and leadership training;
- Developed and implemented Virtual Learning project with the aim that up to 80% of all courses will be virtual.

6.4 TRADE UNION FACILITY TIME DISCLOSURE

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following facility time is disclosed:

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
11	11

Percentage of time spent on facility time for each relevant union official	
Percentage of time	***Number of employees***
0%	0
1-50%	10
51%-99%	0
100%	1

Percentage of pay bill spent on facility time	
Total cost of facility time	£47,565
Total pay bill	£377,698,000
Percentage of the total pay bill spent on facility time (total cost of facility time ÷ total pay bill) x 100	0.01%

Percentage of total paid facility time hours spent by employees who were relevant union officials, on paid trade union activities
100%

6.5 EXPENDITURE ON CONSULTANCY AND OFF PAYROLL ENGAGEMENTS

The Trust produced and issued guidance in April 2017 on the engagement of staff off-payroll to ensure compliance with employment law, tax law and HM Treasury guidance for government bodies. This contains a procedure to ensure appointees give assurances to the Trust that they are meeting their Income tax and National Insurance obligations.

Table: For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31 March 2021	18
Of which…	
No. that have existed for less than one year at time of reporting	3
No. that have existed for between one and two years at time of report	9
No. that have existed for between three and four years at time of reporting	4
No. that have existed for four or more years at time of reporting	0

Table: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	1
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/ assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	17

6.6 EXIT PACKAGES

The regulatory framework applicable to public sector organisations, including the

National Health Service, imposes strict parameters and restrictions with regard to expenditure of public monies.

Regulatory bodies, including NHS Improvement [formerly Monitor], Her Majesty's Revenue and Customs [HMRC] and the national standing financial instructions framework prevent misuse of public monies, including any payment of non-contractual monies to which employees or former employees are disentitled according to the individual's employment contract.

Non-contractual payments, sometimes enclosed within the legally binding 'Settlement Agreement' [formerly Compromise Agreement] may include, for example, a one-off non-contractual payment [such as a lump sum payment] as part of an individual's agreement to depart the organisation for a variety of reasons, including performance related matters. There were no non-contractual payments agreed with HM Treasury during the period 1 April 2020 to 31 March 2021.

The Trust agreed one redundancy and two settlement exit packages, via settlement agreements, as follows:

For the period of 1 April 2020 to 31 March 2021		
Type	**Total**	**Amounts (£)**
Redundancies	1	10,377.92
Settlement Agreements	2	12,915.00
		52,953.92
Full Total		**76,246.84**

Total value £76,246.84

6.7 GENDER PAY GAP

In line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (***the Regulations***) public sector organisations with over 250 employees are required to report on and publish their gender pay gap on a yearly basis. As at the time of submitting this Report the only available Gender Pay Gap report was that as at 31 March 2020 Cabinet Office website https://gender-pay-gap.service.gov.uk. The Gender Pay Gap report due 31 March 2021 which reflects findings from the period 1 April 2020 to 31 March 2021 will be published once finalised and approved.

2019/2020 data brief overview

The analysis used to prepare this report identifies a 'mean' and a 'median' gender pay gap; the measured position on the gender pay gap at 31 March 2020 was as follows:

- Median gender pay gap, 19.8% in favour of male employees (20.3% in 2019);
- Mean gender pay gap, 28.6% in favour of male employees (29.4% in 2019).

It is important to confirm this gap should not be interpreted to infer that a male and female staff member doing equal work do not receive the same pay. Rather, the above statistics are driven largely by:

1. Pay scales within the medical workforce and the national terms and conditions which reward length of service, liked to the proportion of men with longer service in our Trust;
2. The distribution of males and females in roles and the value these roles attract in terms of national terms and conditions and job evaluation processes.

The dominant theme is that if the medical workforce is excluded, the median gender pay gap is reversed and becomes one which slightly favours female staff. In fact analysing pay across all staff except medical staff creates a mean gender pay gap of 3.9% in favour of males, but a median gap 4% in favour of females. The clear implication is that the gender pay gap across the medical workforce is sufficient to reverse the female positive gender pay gap across the remainder of the Trust's workforce, and generate the overall results set out in the bullet points above.

Analysis of gender pay across the medical workforce reveals a complex distribution. For early years' medical trainees there is a gap in favour of female doctors, but at more senior non-consultant levels the gap favours male doctors.

7. NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Trust Board has overall responsibility for the administration of sound corporate governance throughout the Trust and recognises the importance of a strong reputation.

Gloucestershire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a "comply or explain" basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board considers that for 2020/21 the Trust has complied with the Code.

Relating to	Summary of requirement	Response
Board and Council of Governors	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	See Directors Report
Board, Nomination Committee(s), Audit Committee, Remuneration Committee	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	See Directors Report
Council of Governors	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	See Directors Report
Council of Governors	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	See Directors Report

Relating to	Summary of requirement	Response
Board	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	See Directors Report
Board	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	See Directors Report
Board	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	See Directors Report
Nominations Committee(s)	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	See Remuneration Report
Nominations Committee(s)	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Not applicable
Chair / Council of Governors	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	See Directors Report
Council of Governors	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	See Directors Report

Relating to	Summary of requirement	Response
Council of Governors	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Not applicable
Board	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	See Directors Report
Board	Where there has been external evaluation of the board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Not applicable
Board	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	See Directors Report
Board	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	See Annual Governance Statement

Relating to	Summary of requirement	Response
Audit Committee / control environment	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	See Annual Governance Statement *The internal audit function in 2020/21 was performed by BDO*
Audit Committee / Council of Governors	If the Council of Governors does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Not applicable
Audit Committee	A separate section of the annual report should describe the work of the Audit Committee in discharging its responsibilities. The report should include: • the significant issues that the Committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	See Annual Report of the Audit and Assurance Committee
Board / Remuneration Committee	Where an NHS Foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	See Remuneration Report
Board / Membership	The board of directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	See Directors Report

Relating to	Summary of requirement	Response
Membership	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	See Directors Report
Membership	The annual report should include: • brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members.	See Directors Report
Board / Council of Governors	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	See Directors Report
Board	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS Foundation Trust's effectiveness, efficiency and economy as well as the quality of its health care delivery	Comply
Board	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	Comply
Board	The board should report on its approach to clinical governance.	Comply
Board	The chief executive as the accounting officer should follow the procedure set out by NHS Improvement for advising the board and the council and for recording and submitting objections to decisions.	Comply

Relating to	Summary of requirement	Response
Board	The board should establish the constitution and standards of conduct for the NHS Foundation Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	Comply
Board	The board should operate a code of conduct that builds on the values of the NHS Foundation Trust and reflect high standards of probity and responsibility.	Comply
Board	The NHS Foundation Trust should arrange appropriate insurance to cover the risk of legal action against its directors.	Comply
Chair	The chairperson should, on appointment by the council, meet the independence criteria. A chief executive should not go on to be the chairperson of the same NHS Foundation Trust.	Comply
Board	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	Comply
Board	The chairperson should hold meetings with the non-executive directors without the executives present.	Comply
Board	Where directors have concerns that cannot be resolved about the running of the NHS Foundation Trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Comply
Council of Governors	The council of governors should meet sufficiently regularly to discharge its duties.	Comply
Council of Governors	The council of governors should not be so large as to be unwieldy.	Comply
Council of Governors	The roles and responsibilities of the council of governors should be set out in a written document.	Comply
Council of Governors	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Comply
Council of Governors	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.	Comply
Council of Governors	The council should ensure its interaction and relationship with the board of directors is appropriate and effective.	Comply

Relating to	Summary of requirement	Response
Council of Governors	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.	Not applicable during the year
Council of Governors	The council should receive and consider other appropriate information required to enable it to discharge its duties.	Comply
Board	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	Comply
Board / Council of Governors	No individual should hold, at the same time, positions of director and governor of any NHS Foundation Trust.	Comply
Nomination Committee(s)	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	Comply
Board / Council of Governors	Directors on the board of directors and governors on the council should meet the “fit and proper” persons test described in the provider licence.	Comply
Nomination Committee(s)	The nominations committee should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.	Comply
Nomination Committee(s)	The chairperson or an independent non-executive director should chair the nominations committee.	Comply
Nomination Committee(s) / Council of Governors	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.	Comply
Nomination Committee(s)	Where an NHS Foundation Trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	Comply
Council of Governors	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.	Comply
Council of Governors	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors.	Comply
Nomination Committee(s)	An independent external adviser should not be a member of or have a vote on the nominations committee(s).	Comply

Relating to	Summary of requirement	Response
Board	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS Foundation Trust or another organisation of comparable size and complexity.	Comply
Board / Council of Governors	The board and the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Comply
Board	The board and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	Comply
Board	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS Foundation Trust's expense, where they judge it necessary to discharge their responsibilities as directors.	Comply
Board / Committees	Committees should be provided with sufficient resources to undertake their duties.	Comply
Chair	The senior independent director should lead the performance evaluation of the chairperson.	Comply
Chair	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	Comply
Chair / Council of Governors	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Comply
Council of Governors	There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiability fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	Comply

Relating to	Summary of requirement	Response
Board / Remuneration Committee	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS Foundation Trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	Comply
Board	The directors should report that the NHS Foundation Trust is a going concern with supporting assumptions or qualifications as necessary.	Comply
Board	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS Foundation Trust and disclose sufficient information, both quantitative and qualitative, of the NHS Foundation Trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	Comply

Relating to	Summary of requirement	Response
Board	The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS Foundation Trust's sphere of activity which are not public knowledge which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust. The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • The NHS Foundation Trust's financial condition; • The performance of its business; and/or • The NHS Foundation Trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust.	Comply
Board / Audit Committee	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	Comply
Council of Governors / Audit Committee	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	Comply
Council of Governors / Audit Committee	The NHS Foundation Trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS Foundation Trust.	Comply
Council of Governors	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS Improvement informing it of the reasons behind the decision.	Comply (not applicable)

Relating to	Summary of requirement	Response
Audit Committee	The audit committee should review arrangements that allow staff of the NHS Foundation Trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	Comply
Remuneration Committee	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	Comply (not applicable)
Governance and Nominations Committee	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	Comply
Remuneration Committee	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	Comply
Remuneration Committee	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	Comply
Council of Governors	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Comply
Board	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Comply
Board	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	Comply
Board	The board should be clear as to the specific third party bodies in relation to which the NHS Foundation Trust has a duty to co-operate.	Comply

Relating to	Summary of requirement	Response
Board	The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Comply

8. NHS OVERSIGHT FRAMEWORK

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

- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change;
- Leadership and improvement capability (well-led).

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

Gloucestershire Hospitals NHS Foundation Trust is currently placed in Segment 3 "Mandated support". This segmentation information is the Trust's position as at 31 March 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

9. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the Chief Executive's responsibilities as the accounting officer of Gloucestershire Hospitals 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 Gloucestershire Hospitals 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 Gloucestershire Hospitals NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS 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.*

Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

10 ANNUAL GOVERNANCE STATEMENT 2020/21

10.1 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.*

10.2 THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

10.3 CAPACITY TO HANDLE RISK

As Chief Executive Officer, I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and adhering to the guidance issued by NHS Improvement and the Department of Health and Social Care in respect of governance.

The Trust Leadership Team (TLT), which I chair, has the remit to ensure the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to board discussion.

The Risk Management Strategy outlines and reflects the organisation's view of risk. The Trust's risk maturity is evolving and its risk appetite is changing. It is not a single, fixed concept but a range of appetites for different risks. The amount and type of risk that the Trust is willing to take in order to meet its strategic objectives will be reflected in the Risk Appetite by defining the risks that the Trust actively wishes to engage with in order to progress business. Conversely, the Trust's Risk Tolerance will form the boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long term objectives. The Board undertook a detailed review and refresh of risk appetite and risk tolerance in 2020/21 and will review these annually to ensure they remain relevant and accurate.

Day to day management of risks is undertaken by operational management, who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to executive directors, relevant committees and governance groups to support plans for mitigation.

Board members' training in risk management includes an overview of the risk systems. Staff training covers the identification, analysis, evaluation and reporting of risk. Training at induction covers the wider aspects of governance.

The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly of all managers.

The Risk Register outlines the key strategic risks facing the Trust, the controls currently in place to respond to these risks and any further action required to properly manage these risks. The risk register operates on three levels, Specialty risks that are low risks managed locally, Divisional risks that are moderate and Trust risks that are high-extreme.

The Trust Risk Register (TRR) comprises the most significant operational risks facing the Trust and the controls and mitigation showing how well the risks are being managed. The TRR is representative of the challenges facing the organisation and includes clinical, financial, operational, reputational, environmental and other risk areas. The TRR is presented at every board meeting with board committees also receiving risk registers related to their areas of oversight.

The Board Assurance Framework (BAF) ensures that there is clarity about the risks that may impact on the Trust's ability to deliver its strategic objectives together with any gaps in control or assurance.

10.4 THE RISK AND CONTROL FRAMEWORK

A risk and control framework designed to provide assurance that there is an effective system of internal control to manage the principal risks identified by the organisation was in operation throughout the year.

The Quality Framework is the key document describing the quality governance arrangements within the Trust. The framework describes quality under the Key Lines of Enquiry (KLOEs), namely, Well-Led, Safe, Effective, Responsive and Caring. A reporting framework and committee structure reaching into the organisation provides assurance against the Care Quality Commission (CQC) regulations on a continuous basis and identifies good practice and areas of concern.

Key quality risks are monitored through the risk management process on the TRR and BAF. These documents reflect the organisation's risk profile and support the Board in making a declaration on the effectiveness of the Trust's system of internal control in the Annual Governance Statement.

Board committees scrutinise risks related to their areas of oversight and risk domains in the risk matrix on a quarterly basis as follows:

- Quality and Performance Committee – Oversight of patient safety, quality, reputation and statutory risks
- People and Organisational Development Committee – Oversight of workforce and health & safety
- Finance and Digital Committee – Oversight of finance and business
- Estates and Facilities Committee – Oversight of risks relating to estates and facilities and the subsidiary company, Gloucestershire Managed Services (GMS)
- Audit and Assurance Committee – responsible for scrutinising the overall systems of internal control and for ensuring the provision of effective independent assurance via internal audit, external audit and local counter fraud services

The role of the Committees in this respect is to review the current controls and mitigation plans and to refer or re-evaluate risks for further consideration by the Trust Leadership Team.

The Trust recognises that reliable data and information of high quality information enables and underpins the effective delivery of safe, effective patient care delivered to a high standard as well as informing service design and improvement efforts. The Trust defines high quality information as; complete, accurate, relevant, up to date (timely) and free from duplication (for example, where two or more difference records exist for the same patient). The Trust undertakes the following actions to improve data quality:

- Identification, review and resolution of potential duplication of patient records
- Monitoring of day case activity and regular attenders
- Gathering of user feedback
- All existing reports have been reviewed and revised
- Routine Data Qualitry (DQ) reports are automated and are routinely available to all staff on the Trust intranet via the Business Intelligence portal ‘Insight’
- The Trust continues to work with an external partner to advise the Trust on optimising the recording of clinical information and the capture of clinical coding data
- The Trust regularly send manadatory secondary user services (SUS) data submissions to NHS Digital, and via these submissions we receive DQ reports back from SUS. Based on SUS DQ reports we action all red and amber items highlighted in report to improve Data Quality.

The remit of the Trust’s Risk Management Group (RMG), chaired by the Director of People and Organisational Development and Deputy CEO (as executive lead for corporate governance) is to scrutinise the risk management processes and reporting mechanisms to provide system assurance and hold Divisions and Directors to account for the devolved management function. The RMG met regularly throughout the year to respond to the changing risks presented by the COVID-19 pandemic. The RMG meets monthly and provides a report to the Audit

and Assurance Committee. A COVID-19 task and finish group is also in place to provide an additional level of assurance related to risk management and share risk entries with the Executive team weekly.

The Board Assurance Framework

The BAF acts as the Trust's primary mechanism for ensuring that the Board receives assurance that the Trust is actively pursuing its corporate objectives and the risks to these objectives are being treated and mitigated. It enables the Board to understand the risks which have the potential to impact on the organizational strategic objectives and how these are being managed.

The risks identified in the BAF cover the full range of strategic objectives and include consideration of present risks, future risks, risks arising from within the organisation and risks occurring as a result of external pressures and changes. Executive director leads refresh the content of the BAF on a quarterly basis, looking at the principal risks to delivering and achieving the strategic objectives to consider any changes to the risk itself and the risk rating, controls in place, sources of assurance and any gaps.

Board Committees undertake a detailed scrutiny of their risks, controls, assurances and gaps for their assigned strategic objectives and are then responsible for agreeing the level of assurance that exists with regard to the strategic objectives and using a Red, Amber, Green rating to track this. The BAF report for all strategic objectives is then reviewed by the Audit and Assurance Committee, with the Board seeing the detail of the highest rated (Red) risks and a summary of the overall BAF scores.

The Trust Secretary is responsible for ongoing work to further strengthen the BAF and its reporting.

Trust's Risk Monitoring, Escalation and Assurance Process

The Board-approved Risk Management Strategy sets out the Trust's framework within which the Trust leads, directs and controls the risks to its key functions. The strategy is supported by associated policies and procedures, systems, processes and assurance mechanisms. The Risk Register Procedure outlines the processes for updating and disseminating the Trust's Risk Register, agreeing and monitoring the action plans to eliminate or reduce risk.

The Trust's current risk appetite framework is shown below with Safety and Environmental risks being the least tolerable. Any risks in these two domains scoring 12 and above are included within the Trust Risk Register. These risks and all other risks scoring 15 and above will be reviewed and assessed against the impact on the strategic objectives by the Executive team as part of the BAF oversight.

A risk that scores 15 and above or 12 and above for safety and environmental domains, using the Trust risk matrix (see below), will be defined as significant. The management of the risk may still reside with the presenting risk owner, but adding it

to the Trust Risk Register results in extra scrutiny at an appropriate nominated senior committee and increased awareness of its implication across the entire Trust Leadership Team. This allows oversight and scrutiny of significant risks by the Board who receive and review the Trust Risk Register at every Board meeting.

Risk scoring = consequence x likelihood (C x L)

Impact / Consequence	Likelihood				
	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

For grading risk, the scores obtained from the risk matrix are assigned grades as follows:

	1 - 3	Low risk
	4 - 6	Moderate risk
	8 – 12	High risk
	15 - 25	Extreme risk

To support decision-making, the Trust's Board set out its relative willingness to accept risk across domains as follows:

Domains	Risk Appetite					
	0 None	1 – Minimal	2 – Cautious	3 – Open	4 – Seek	5 - High
		10	12	15	16	20
Safety						
Quality						
People						
Operational						
Regulatory						
Finance						
Environmental						
Reputational						

The Board uses risk appetite to inform strategic decision-making.

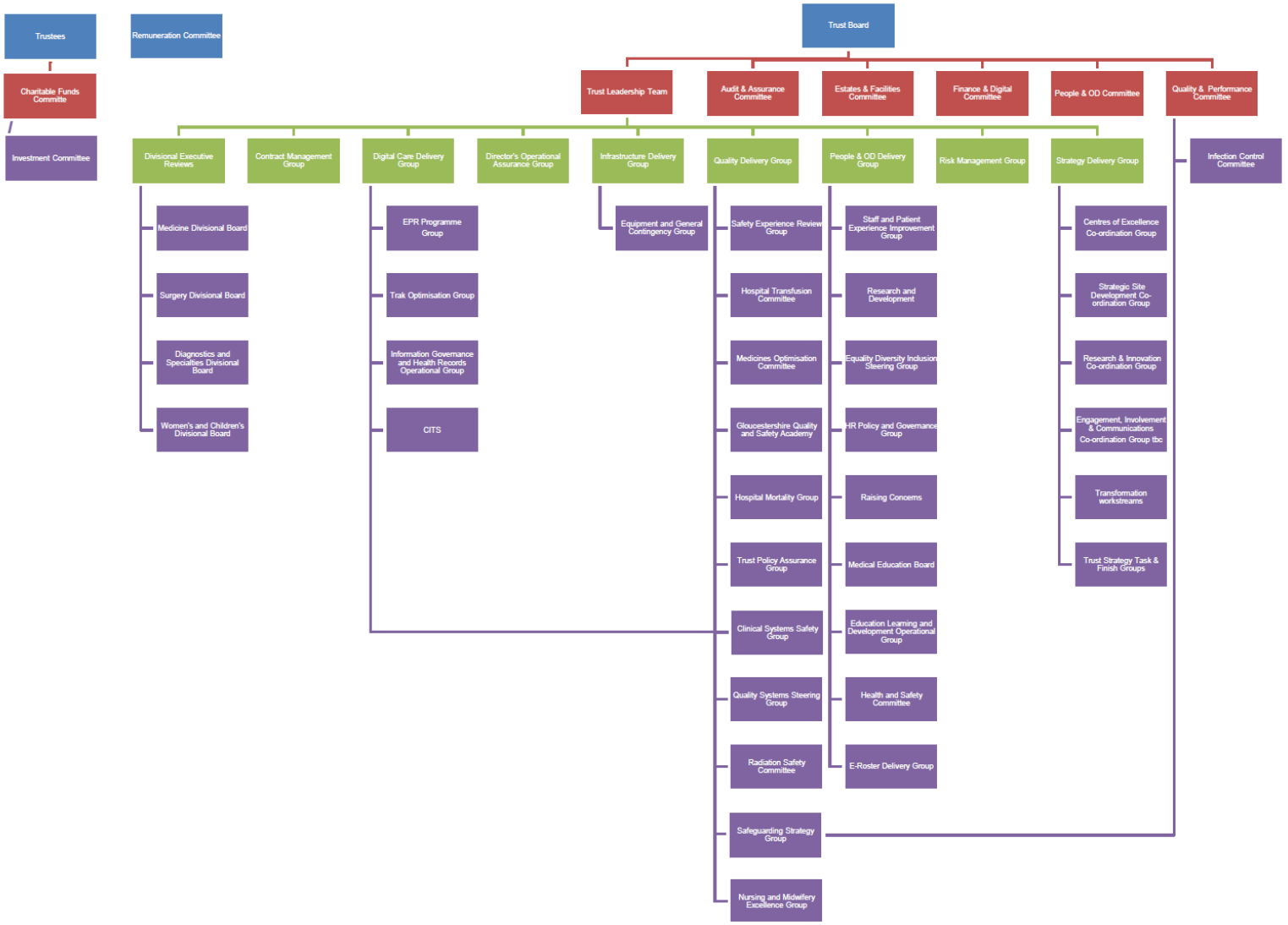
Principal risks to compliance with the NHS foundation trust licence condition 4 (FT governance) and actions identified to mitigate these risks

The major risks facing the organisation are those from operational pressures driven by demand exceeding capacity (particularly with the backdrop of the Coronavirus pandemic), risks to patient experience and potentially outcomes associated with significant backlogs of patients awaiting routine outpatient or inpatient care, risks associated with recruitment and retention of clinical staff, and risks associated with delivery of the Trust's financial plan. Significant risks related to the Coronavirus pandemic emerged and have been included within the risk registers. Risk mitigation

takes place through action planning and monitoring at specialty, division and Trust level. A weekly task and finish group is in place to give specific focus to COVID-19 risk mitigation and management. The Trust's Risk Management Group (RMG) reviews escalation from divisions and determines whether should be included on the Trust Risk Register and report to Board each month.

The Trust continued to review, monitor and review its governance arrangements during 2020/21 which included taking a streamlined approach to Board and Committee agenda planning and use of virtual meetings to maintain its governance and oversight framework during the pandemic. The delivery and assurance structure and arrangements in place through 2020/21 is shown below:

Figure: Trust Delivery and Assurance Structure



The structure of governance in the organisation is designed to allow a prompt response to a significant change in circumstances. The Executive and the wider management structure across the Trust, continue to apply dynamism to all aspects of risk management (identification, assessment and mitigation), with this being truly evident in the response to the threat from COVID-19 which began in early 2020 and continued throughout 2020/21. During this time, the Trust continued to operate it governance arrangements through virtual meetings with focused agendas. The Board also formally recognised the ability of the Chait and Chief Executive Officer to exercise emergency powers as per the Standing Orders, and how these would be reported if used. ned, focused agendaThe Trust has also continued and maintained focus on ensuring the organisational culture, alongside the governance arrangements, continues to be based on support, challenge, openness, candour and transparency.

The Board has sight of timely and accurate information to assess risks to compliance with the Trust's licence. Trust performance is reviewed by the Finance and Digital Committee, the People and Organisation Development Committee and the Quality and Performance Committee and by the Board at each meeting. The Committees undertake detailed reviews of any indicators that show sustained adverse performance.

Key ways that the Trust is able to assure itself of the validity of its Corporate Governance Statement, required under NHS foundation trust condition 4(8)(b)

The BAF enables the Board to understand the risks which have the potential to impact on the organisation's strategic objectives. The BAF provides the Trust with a single, but comprehensive, method for the effective and focused management of the principal risks to meeting the Trust's overall strategic objectives. The risks identified from the BAF cover the full range of strategic objectives and include consideration of present risks, future risks, risks arising from within the organisation and risks occurring as a result of external pressures and changes.

In assuring itself of the validity of its Annual Governance Statement, the Board takes into account:

- Its own work programme and assurance received throughout the year;
- Board Committees' work programmes, with issues escalated to the Board, via the Audit and Assurance Committee's Chair's report;
- the work of the internal audit, as reviewed at the Audit and Assurance Committee (with issues escalated to the Board, via the Audit and Assurance Committee's Chair's report);
- self-assessment against the Well-led framework and the CQC Well-Led inspection report;
- challenge and scrutiny undertaken as part of the dedicated Board meeting to sign-off the Annual Report and Accounts and self-certifications.

Integration of risk management with other organisational processes

Risk management is embedded in the activity of the organisation and integrated with business, financial and workforce planning. For example, the intolerable risks

process, undertaken as part of the business planning cycle, used information on Trust risk registers to inform priority funding decisions.

Local and Divisional Risk Registers

Each Division has its own risk register, which captures how divisional risks are being managed and each Specialty has its own sub-set of the Divisional risk register to ensure local ownership and management of the risks. Management of the TRR and corporate risk register is through the Risk Management Group to the TLT, which meets monthly to validate new significant risks, and remove mitigated risks from the register. This process is replicated at governance meetings throughout the Trust at the appropriate levels, to ensure that current risks and their controls / actions are on risk registers and managed dynamically as the risk environment changes.

Incident reporting

The Trust has a strong culture of reporting incidents. To reinforce the importance of this, the Trust incident reporting process enables staff to submit reports and encourages them to seek feedback on these reports from local managers. Themes are reported by divisional Health and Safety Boards and Health and Safety Committee and the Risk Management Group monitors performance against key performance indicators. The Risk Management Group reports to the Audit and Assurance Committee.

Serious Incidents (SIs) are identified via the weekly SI panel. These are reported to the Quality and Performance Committee (QPC) on a monthly basis, together with evidence of our meeting reporting standards. A summary of the current SIs is reported to the Trust Board on a monthly basis. A quarterly report on learning from SIs is also presented to the QPC. In most cases a SI investigation is triggered when the impact of the incident reaches level four or five “Impact” on the Trust matrix, this usually in the category for harm, publicity or service continuity. The purpose of the report is to provide assurance that SI investigations are carried out in a timely way and investigations and their action plans are closed.

The operational committee responsible for SIs is the Safety and Experience Review Group (SERG). Chaired by the Director of Safety, it also has the Executive Medical Director, Executive Director of Quality and Chief Nurse and a Clinical Commissioning Group representative included in its membership. The SERG monitors progress of the investigations and any high level trends recommending any further investigation.

Information on the complaints and concerns reported to the Trust during each quarter is presented to the Quality and Performance Committee. An update of lessons learned is included in the report.

Business continuity plans, dealing with emergency preparedness and civil contingency requirements, are in place across the Trust and the Chief Operating Officer is responsible for oversight of these plans and this function.

Public stakeholders are involved in managing risks which impact on them through appropriate partnership fora, including the STP governance mechanisms.

Regulatory Compliance

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

As part of the lifting of the Trust's Financial Special Measures (FSM) in November 2018, the regulator, NHS Improvement, supported the Trust to agree to a financial recovery plan for 2019/20. The Trust delivered the planned control total.

During 2020/21 the Trust remained within Segment 3 under the Single Oversight Framework.

The Annual Governance Statement provides assurance that risks to compliance with the terms of its licence are being appropriately addressed. Reports are presented to the Board throughout the year in assessing our Trust's performance, compliance with relevant legislation and ensuring the effective, efficient and economic operation of our Trust. The Council of Governors provides a further layer of governance by holding Non-Executive Directors individually and collectively to account for the performance of the Board.

The Board and its Committees (Quality and Performance and People and Organisational Development) ensure that short, medium and long-term workforce strategies and staffing systems are in place, which assure the Board that staffing processes are safe, sustainable and effective.

The Operational Director of People and OD is the nominated lead for workforce safeguarding concerns, acting as a nominated point of contact for the Local Authority Safeguarding Team. The 'Developing Workforce Safeguards' build on the National Quality Board's (NQB) expectations as outlined in 'Supporting NHS providers to deliver the right staff, with the right skills, in the right place at the right time – Safe sustainable and productive staffing' (2016). The Trust can confirm that the NQB guidance is embedded in our safe staffing governance and that the three components of evidence-based tools (where they exist), professional judgement and outcomes are used in our safe staffing processes.

The Director of Quality and Chief Nurse is responsible for leading the Trust's review of nurse staffing and reporting on this to the Quality and Performance Committee (QPC) and People and Organisational Development Committee (PODC).

The Trust has a daily process for assessing nursing workforce deployment to ensure patient need matches effective deployment. There are six assessments per day. Where operational demands require a temporary increase in workforce supply this is fulfilled through the internal bank service or through a master vendor agency supplier; overall fill rates are within tolerable limits at approximately 90% and reviewed monthly by the QPC.

With respect to the medical workforce, junior doctor training posts are regulated by the Deanery and feedback on training posts is received through the Junior Doctor Forum, to the Medical Education Board within the People and OD Delivery Group. The Board receives a quarterly Guardian Report on Safe Working Hours from the Guardian for Safe Working.

The Trust maintains a register of interests for staff to declare interests that could result or be perceived as a conflict in their Trust duties. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS22 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 Trust has established a HR Policy Review Group to ensure that all legislative requirements are met and this works in conjunction with the Trust's central policy group to ensure polices are reviewed and updates published, with out of date polices escalated to the Risk Management Group.

How risks to data security are being managed and controlled as part of the Risk and Control Framework

In addition to monitoring against the Data Security and Protection toolkit self-assessment tool, risks to data security within our Trust are managed through multiple technical, process and governance controls. The Trust uses the National Cyber Security Centre's "10 steps to Cyber-Security" as a framework for our data risk management and achieved external accreditation against the CyberEssentials Plus standard in 2019/20.

Risks related to the Sustainable Development Management Plan

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

10.5 REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS OF THE USE OF RESOURCES

The Trust operates a comprehensive and inclusive annual business planning process, which helps strengthen the organisation's clinical, financial and operational

sustainability and supports delivery of its strategic objectives. The plan is approved by the Board each year and submitted to NHS Improvement. Overall performance is monitored at meetings of the Trust Board and its Committees which cover the areas of audit, quality, performance, workforce, finance and subsidiary company activities. Any areas of concern are highlighted and mitigating actions taken where required. The Committees meet monthly or bi-monthly and provide assurance to the Trust Board of all areas within their scope to its monthly meetings.

Delivery of economic, efficient and effective services is an underpinning focus of the Trust's governance arrangements which are supported by internal and external audit reviews. Findings and recommendations from audits are monitored and reported through the Audit Committee. The Trust's external auditors are required as part of their annual audit to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if, in their opinion, the Trust has not. The Trust also has a Counter Fraud service for the proactive prevention, detection and reactive investigation of fraud.

10.6 INFORMATION GOVERNANCE

Data Security and Protection Toolkit (DSPT) Submission

All organisations that have access to NHS patient data and systems must use the toolkit to provide assurance that they are practicing good data security and that personal information is handled correctly.

The annual return is normally required to be published 31 March each year. In recognition of COVID-19 pressures NHSX deferred the final deadline for 2019/20 DSPT submission to 30 September 2020 and the 2020/21 submission is due on 30 June 2021.

The standards assessed within the DSPT are based on the National Data Guardian's 10 published Data Security Standards and provide an overall test of the quality of data systems standards and processes within an organisation.

The Trust's 2019/20 self-assessment published 30 September 2020 has a status of "Standards Exceeded". This reflects that in addition to the mandatory requirements being assessed as achieved, a number of the non-mandatory requirements were also completed.

Technical, Process and Governance controls

In addition to monitoring against the DSP toolkit self-assessment tool, risks to data security and Protection within the Trust are managed through multiple technical, process and governance controls.

The Trust uses the National Security Centre's "10 steps to Cyber-Security" as a framework for our cyber risk management.

Technical controls include software applications for anti-virus (server and desktop),

anti-spamming, firewall protection, internet filtering and software patching for IT infrastructure (servers, networks, and PCs).

The Trust is also again working towards renewing accreditation for the Cyber Essentials Plus standard.

Process controls include subscription to national CareCERT alerts and a process for tracking the implementation of these alerts. Collaboration across ICS partners is in place to achieve a multi organisation major cyber incident response plan, a repeat of a desktop exercise to test response processes is planned for 2021.

Governance controls are achieved through monthly IG, Cyber and Risk reports to the trusts Digital Care Delivery Group.

Policy Review

During 2020/21 key Information Governance policies have been reviewed and updated including the introduction of new bring your own device (BYOD) policy in response and recognition of changes in working practice and an increase in remote working due to the COVID-19 pandemic.

Information Governance Incidents

Information governance incidents are reviewed and investigated throughout the year and reported internally through the Digital Care Delivery Group. Any incidents which meet the criteria set out in NHS Digital Guidance on notification, based on the legal requirements of the UK General Data Protection Regulation (UK GDPR) and guidance from the Information Commissioner's Office (ICO) are reported to the ICO through the DSP Toolkit where they may also be monitored by NHS England.

Ten incidents have been reported to the ICO during the 2020/21 reporting period. This compares to fourteen reported in the previous period.

Summary of incidents reported to the ICO under Article 33 GDPR		
MonthReported	**Nature of Incident**	**Number involved and how they have been informed**
April 2020	CT result of another patient of the same name, and an MRN with one digit difference and two days apart in age had been placed in this patient's record. Unnecessary care planned and communicated to the patient as a result of incorrect filed result.	1 Letter
	Lessons learnt - Human error. Staff reminded of importance of checking four points of patient identification. Incident used as case presentation for training purposes	
June 2020	Patient discharge Summary printed on discharge from ward. Two copies included in information given to other patients husband and now returned via PALS.	1 Not informed

	Lessons learnt - Human error, multiple patients being prepared for discharge on busy ward. Staff reminded to ensure the notes are not mixed incorrectly. Incident used as case presentation for training purposes	
July 2020	Lost Record, SAR received. Records unable to be located. Records required as evidence in impending court case.	2 Letter
	Lessons learnt - System in place not followed. Lessons learnt and recurrence prevention meeting held with supplier and improvement to process agreed	
August 2020	An email containing confidential patient information was accidentally sent to an unintended recipient (another patient)	1 letter
	Lessons Learnt - Human Error. Attention to detail in confirming correct email recipient required. Regular staff communication reminders needed.	
October 2020	A copy of a patient's psychology summary letter to GP was enclosed with a summary letter sent to another patient.	1 Letter
	Lessons learnt - Human error. Highlight the importance of double checking information within data protection training for staff. Regular reminders need to be issued to staff**.**	
October 2020	Paediatric clinical summary report sent in error to the wrong recipient. Parent received two letters in different envelopes following an outpatient appointment. One regarding their child, the other regarding another child who attended the clinic.	1 Letter
	Lessons learnt - Human Error. Ensure attention to detail when completing work with patient information. Incident used as case presentation for training purposes	
October 2020	34 pages of a patient's health record accidentally included in another patients SAR and disclosed in error	1 Letter
	Lessons learnt - Human Error difficult to eliminated entirely, mitigated by regular reminders and training. Ongoing transition to EPR will reduce reliance on copies of scanned paper record in time.	
October 2020	Concern raised that member of staff has inappropriately accessed patients record	2 Letter
	Lessons learnt - Further staff communication and record access monitoring required	
December 2020	Inappropriate access to information relating to staff	3 Not informed
	Lessons learnt - Further staff communication and record access monitoring required	
February 2021	Patient miss identified and incorrectly linked to another patients NHS number and record. Discharge summary sent to GP of wrong patient and episode included in patients GP record.	2 Letter
	Lessons Learnt - Human Error within SWAST process, importance of handover and shared learning between organisations	

The 10 reported incidents have been closed by the ICO. The ICO expressed satisfaction with the steps taken by the Trust to mitigate the effects and minimise the risk of recurrence in each case. Advice and guidance received from the ICO has been considered and incorporated into the lessons learnt.

Summary of confidentiality incidents internally reported 2020/21	
Reportable breaches	10 as detailed above
Number of confirmed Non-reportable breaches	154
Number of no breach / Near miss incidents.	289
Total number of confidentiality incidents internally reported	453

A large number of the near miss reported incidents (221) relate to lost SmartCards which are disabled when reported as missing.

10.7 DATA QUALITY AND GOVERNANCE

The Trust took the following actions to assure the Board that there are appropriate controls in place to ensure the accuracy of the data.

The Director of Quality and Chief Nurse jointly with the Medical Director leads the production of the Quality Report. The governance and production of the Quality Report is overseen by the Quality and Performance Committee (QPC). This is a board assurance committee, chaired and led by a Non-Executive Director, whose membership is made up on Non-Executive Directors, Executive Directors (clinical and non-clinical) with other attendees invited from across the Trust, Council of Governors and Gloucestershire Clinical Commissioning Group (GCCG). Much of the data contained within the report is reviewed by the Committee throughout the year.

Quality priorities are identified with regard to local and national priorities, performance against quality metrics within the organisation, and the views of our stakeholders, leading to the selection of those that have the highest possible impact across the overall Trust. Board members, Governors, GCCG, Gloucestershire Healthwatch and the Gloucestershire Health Overview and Scrutiny Committee were invited to input into the Quality Report. GCCG, Gloucestershire Healthwatch and Gloucestershire Health Overview and Scrutiny Committee were also invited to provide statements for inclusion in the Report.

Our quality improvement plans play a key role in our report as the plans are monitored quarterly across the year at the Quality Delivery Group which is chaired by the Director of Quality and Chief Nurse so that if support can be given to the project this is done in a timely way. Contributions to the Quality Account are made by staff across the whole organisation. Support is given to those contributing who have not written reports before.

Most local quality data is collected through the Business Intelligence Unit and where relevant our Clinical Audit department. The Trust adopts the national definitions when available or agrees data definitions with the relevant lead. The results are then reported in the Quality and Performance Report and Trust Quality reports and Quality Accounts. The accuracy of elective waiting time data and the risks to the quality and accuracy of this data were impacted in December of 2016 we launched a new patient administration system, TrakCare, designed to modernise the way we manage clinical information supporting improvements in care delivery. It is clear that we underestimated the impact it would have, and continues

to have, on our services. We are working hard to address the operational and reporting issues that have arisen since we went live and to ensure that, until such time as the issues are resolved and benefits realised, we limit the impact on our patients' experience, particularly in outpatient care where the impact is being felt most acutely.

The Trust produces a series of data quality reports which enable operational and validation team staff to review a wide range of data including waiting times data for accuracy and if necessary, to amend or update it. Operational staff work to detailed protocols to allow them to record the various component that contribute to the waiting times datasets in line with national definitions.

10.8 REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. My review is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance Committee and the Quality and Performance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

During 2020/21, the Board and its Committees continued to review their performance and efficacy to ensure they remained fit for purpose. This saw further strengthening and maturing of the controls environment, including the form, function and modus operandi of Board committee arrangements to ensure they are well placed to provide Board with the required levels of assurance and that their work plans are aligned to the Strategic Objectives and BAF.

The Audit and Assurance Committee has encompassed an assurance function and sought assurances in respect of the major systems of internal control.

BDO provide the internal audit function for the Trust and the Group. The overall opinion of the Head of Internal Audit on the adequacy and effectiveness of the organisation’s risk management, control and governance processes is that they “are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust’s objectives and that controls are being applied consistently”.

In forming of this view, Internal Audit took into account that:

- As at month 11 the Trust was forecasting a deficit of £4m, primarily due to the annual leave accrual.
- The majority of audits undertaken in year provided moderate assurance in the design of controls and three were given substantial assurance, including key audits such as key financial controls and Data Quality. Whilst two areas were

given limited assurance, and another area part limited for the effectiveness of the controls (a deterioration on last year, when there were no limited opinions), these were known issues that BDO were directed to by management and actions to address the findings are underway.

- The Trust has a good record in implementing audit recommendations. BDO have closed the majority of prior year recommendations and note that management are proactive in discussing plans to address the risks identified in the 2020/21 audits.
- No significant concerns have been raised in relation to the impact of the COVID-19 pandemic on the operations and controls in place at the Trust. We have been able to undertake our full audit plan remotely, without any impact on the scope of our reviews.

Internal Audit completed 11 internal audit reviews for the year ended 31 March 2021. The plan was based upon discussions held with management and was constructed in such a way as to gain a level of assurance on the main financial and management systems reviewed.

The assurance levels are: 'substantial', 'moderate', 'limited' or 'no'. The systems were rated as follows:

Audit Report	**Number of Recommendations**			**Overall Report Conclusions**	
	H	**M**	**L**	**Design**	**Operational Effectiveness**
Data Quality (RTT)	0	3	0	Substantial	Moderate
CQC Outcomes	0	1	3	Moderate	Moderate
IT Asset Register	1	4	1	Limited	Limited
GMS Contract Management	0	2	0	Moderate	Moderate
Backlog Maintenance	2	1	0	Limited	Limited
Violence and Aggression				Moderate	Limited
Health and Safety	0	0	1	Substantial	Substantial
HSIB Safety Recommendations	0	1	1	Moderate	Substantial
Patient Harm Reviews	0	2	1	Moderate	Moderate
Shared Service – Financial Ledger	0	1	1	Substantial	Moderate
Charitable Funds	0	3	2	Moderate	Moderate

Internal Audit's work has identified no critical, three high, 23 medium and 10 low risk rated findings to improve weaknesses in the design of controls and/or operating effectiveness. The Trust has implemented a number of the recommendations raised during 2020/21 and has action plans in place to implement those that have not been implemented.

The number and priority of critical risk recommendations (reports rated as having 'no' level of assurance) is the same as last year (none). There are three high risk rated recommendations (compared to zero last year), 23 medium risk recommendations (18 last year) and 10 low risk recommendations (six last year). This reflects the Executive Team's approach of directing the internal audit resources to known areas of concern.

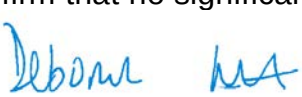
Two of the three high rated findings arose from the Backlog Maintenance audit and the third was from the IT Asset Register audit. The first Backlog Maintenance finding related to the Trust defining the way how it requires backlog maintenance to be reported by GMS to include costings, priorities and delivery dates and the ability to provide summary reports to committees. In response the Physical Condition facet of the Trust's retained estate is to be independently assessed and records updated in accordance with a risk-based methodology for establishing and managing backlog; this will record the condition of each building element (e.g. building fabric & services), the deficiencies and costs associated with remedial actions & investment (prioritised per annum etc.). The resulting report will be held as a master file and interfaced with other Trust systems to ensure cyclical updates. The second was a recommendation that the Trust should establish a more formal process for prioritising the backlog maintenance requirements when setting the capital plan for the year. The Corporate Finance team are formalising the annual capital prioritisation process with all divisions and GMS and this will agree priorities. The Trust is also developing a prioritised five year capital programme of funded and unfunded schemes with monthly progress reports on estates and facilities related capital projects being provided to the Trust's Infrastructure Delivery Group.

The recommendation from the IT Asset Register audit was that there be work undertaken to develop a complete and upto date IT asset database, a data cleanse to improve quality and asset tagging of new monitors. The Trust has created a post responsible for IT asset management and key duties include reviewing current asset management tools, recommendations for complete up-to date asset database, Software Licensing and asset tagging all IT equipment.

10.9 CONCLUSION

The Board is committed to continuous improvement of its governance arrangements to ensure that systems are in place which ensure risks are correctly identified and managed and that serious incidents and incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action, so that the patients, service users, staff and stakeholders of the Trust can be confident in the quality of the service we deliver and the effective, economic and efficient use of resources.

I can confirm that no significant internal control issues have been identified.



Signed:

Deborah Lee
Chief Executive Officer **29 June 2021**

SUSTAINABILITY REPORT

11.1 EXECUTIVE SUMMARY

In summer 2020, as the response to the COVID-19 pandemic eased, the Trust was able to return to the sustainability agenda and start implementing some of the actions needed in response to the Climate Change Emergency which was declared in December 2019.

The Trust's Green Plan (new sustainability strategy) will be launched in summer 2021 and will be accompanied by an action plan. Projects identified through the action plan will be presented as business cases for funding. The Green Plan will include details of how the Trust will support the NHS target to achieve net zero carbon emissions by 2040 for the emissions we control directly and net zero by 2045 for the emissions we influence.

The Trust has launched the Green Champions scheme as staff engagement and actions will be vital in reducing carbon emissions across the Trust. The Green Champions network will formalise the actions that staff are already taking, provide support and recognition for the importance of their efforts and achievements

In December 2020 the Trust was successful in obtaining a £13.7 million grant from the Public Sector Decarbonisation Scheme. This will fund a number of carbon reduction projects including air source heat pumps, solar PV and new metering systems. These developments are all vital if the Trust is to achieve carbon neutrality by 2040.

11.2 INTRODUCTION

As an NHS organisation the Trust has an obligation to work in a way that has a positive effect on the communities it serves. The three pillars of sustainability – society, environment, and economy are interconnected and reliant on each other. The Trust acknowledges the impact it has on the local economy, society and environment and are therefore committed to continually work to actively integrate sustainable development into our core business.

The links between health and climate change are clear and the Trust has a responsibility to take action. The Climate Change Act (2008) and the NHS targets (Delivering a Net Zero NHS, 2020) oblige the Trust to reduce carbon emissions.

Acting now, by embedding sustainability into the organisational culture making changes to how the Trust operates, how and what it is procured and upgrading the infrastructure, will be the only way to meet the NHS targets to reach net zero carbon emissions by 2040 on the emissions it directly controls, and to reach net zero carbon by 2045 on those it influences.

Sustainable healthcare will improve the health of the local population and reduce demand on NHS services. As we recover from the COVID-19 pandemic the Trust must take the opportunity to build back better – improving what we do, how we do it

and considering the wider implications of our actions including climate change, general sustainability and the need to reduce carbon emissions.

Gloucestershire Managed Services (GMS) provides a complete Estates and Facilities services provision to the Trust through an Operated Healthcare Facilities Agreement (OFHA). These arrangements include the provision of professional services such as sustainably advice in addition to improving the sustainability of the services GMS provides to the Trust.

11.3 GREEN PLAN AND TARGETS

The Trust's Green Plan (new sustainability strategy) will be launched in summer 2021 and will be accompanied by an action plan. Projects identified through the action plan will be presented as business cases for funding.

It will include details of how the Trust will support the NHS target to achieve net zero carbon emissions by 2040. The Trust will adopt the targets published in the NHS Net Zero report (NHS England, October 2021) i.e.

- *for the emissions we control directly (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032*
- *for the emissions we can influence (our NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.*

The NHS Carbon Footprint emissions include gas and oil for heating, hot water and steam, fuel for fleet vehicles, emissions from business travel, electricity (both on-site generation and that supplied via the national grid) and emissions associated with waste, supply chain and other services.

The NHS Carbon Footprint Plus emissions include the above, plus emissions from patient and visitor travel to and from our services and medicines used in the home.

11.4 STAFF AND STAKEHOLDER ENGAGEMENT

Staff engagement and actions will be vital in reducing carbon emissions across the Trust and so to harness and steer this we have launched the Green Champions scheme.

The champions are staff who are enthusiastic about sustainability and keen to take action in their work environments to help reduce carbon emissions, increase recycling, reduce waste etc. We know there are already many staff taking action – the Green Champions network will formalise this and recognise the importance of their efforts and achievements.

A new climate emergency email address has been set up to provide a single point of contact. The sustainability pages on the intranet and Trust website have been updated.

The Trust will work to embed sustainability within the organisational culture, encouraging all staff and other stakeholders to be more sustainable in their activities.

The Trust is pleased to have been invited to participate in the NHS Net Zero System Leadership sub-group led by Dame Jackie Daniel at Newcastle upon Tyne NHS Foundation Trust. This is a key part of the 'Greener NHS' programme and seeks to identify opportunities for exemplar trusts to go further and faster in delivery of net zero, sharing best practice and exploring the opportunities and enablers that have helped them achieve success.

At a local level engagement with other stakeholders is picking up as they too start to return to business as usual. The Head of Sustainability attended the launch of the Gloucestershire Tree Strategy, has had discussions with Gloucester City Council regarding the improvements to the pedestrian access under the railway at Gloucester and is a member of the CN2030 group which is attended by all the local public sector organisations.

11.5 GOVERNANCE AND MONITORING

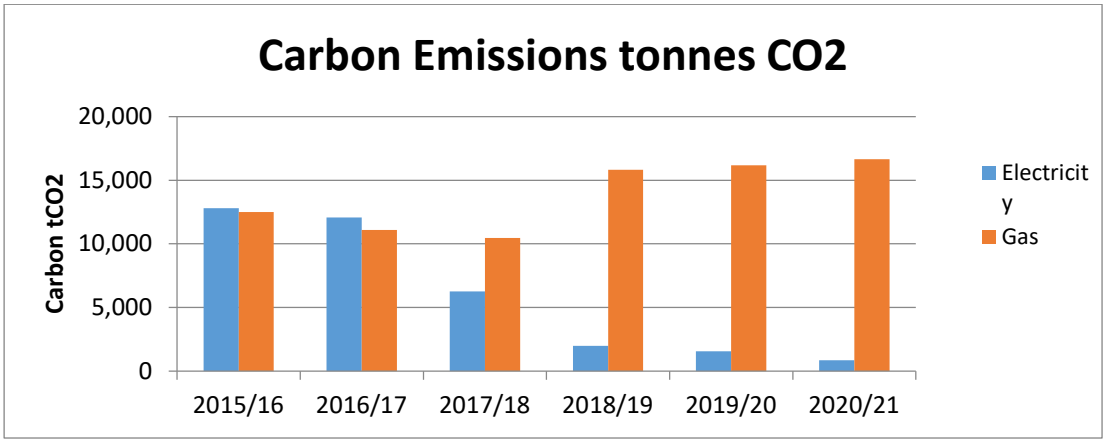
Following the Trust's declaration of a Climate Change Emergency in December 2019, the Trust appointed Steve Hams, Director of Quality and Chief Nurse as the lead executive director for sustainability and Elaine Warwicker as the lead non-executive director. In August the Head of Sustainability was appointed.

In 2020 the Climate Emergency Response Group (CERG) was established to lead, develop and monitor progress on sustainability and compliance with sustainable legislation. Group membership represents over fourteen different departments and therefore covers a wide range of activities and inputs. However, over the course of the year the group has become far more operational and in March 2020 it was decided that the remit of CERG should be changed to reflect this, allowing the group to receive ideas and initiatives and focus more on actions and projects. A new Climate Emergency Response Leadership group (CERL) has been established to make key decisions, look at governance and strategy and access progress towards targets.

11.6 ENERGY AND WATER

The Trust has spent £3.03m on gas, electricity and water in 2020/21.

Resource		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Gas	Use (kWh)	59,520,043	60,062,487	56,854,097	85,965,330	87,932,803	90,503,442
	T CO_2e	12,487	11,085	10,471	15,814	16,176	16,641
Oil	Use (kWh)	64,443	58,190	24,279	No data	No data	No data
	T CO_2e	21	18.3	6	No data	No data	No data
Electricity	Use (kWh)	22,273,744	22,633,386	17,791,983	7,027,940	5,528,742	3,717,545
	T CO_2e	12,806	12,066	6,255	1,989	1,565	867
Total Energy T CO_2e		25,314	23,151	16,731	17,803	17,741	17,508



The combined heat and power plants (on-line November 2014 at CGH and May 2018 at GRH) are a major factor in the decrease of carbon relating to grid electricity, although there is a corresponding increase in the gas consumption.

From 1 April 2021 all electricity purchased by the Trust from the national grid is generated from 100% renewable sources. This is in fulfilment of a requirement of the NHS Operational Planning Contracting Guidance 2020, https://www.england.nhs.uk/publication/nhs-operational-planning-and-contracting-guidance-2020-21/.

The installation of LED lighting, funded by a £608,000 grant from NHS Improvement has been completed. This allows for smart controls e.g. 50% corridor lights on all the time but PIR and daylight detectors mean the other 50% lights come on only when needed. This has a projected yearly saving of £465,049.17 and projected carbon savings 645,074 KG Co2e.

In 2020 twin CT scanners were installed at Cheltenham. The manufacturers, Canon Medical Systems, operate a carbon offset scheme to ensure their products are carbon zero. As such the Trust has received confirmation of these offsets against two projects in Africa - one in Uganda providing water boreholes and

another in Kenya providing more carbon efficient stoves.

Salix Grant – Decarbonisation works

The Trust has an energy performance contract with Vital Energi for the installation and management of two combined heat and power units and for management of the boiler houses at GRH and CGH. Although the project has been a success and delivered both financial savings and the 2020 carbon reduction target, the existing site carbon savings are no longer achieving the NHS roadmap to carbon neutrality.

In December 2020 the Trust was successful in obtaining a £13.7 million grant from the Public Sector Decarbonisation Scheme. This will fund a number of carbon reduction projects including voltage management, air source heat pumps, pipework insulation, solar PV and improvements to the building energy management systems. The battery energy storage system will improve resilience to external power failure and provide grid services revenues to the Trust. New automatic meter reading systems will allow detailed monitoring of consumption and inform future improvements. Under the terms of the grant the schemes must be completed by September 2021. These developments are all vital if the Trust is to achieve carbon neutrality by 2040.

11.7 TELEMEDICINE AND VIDEO CONFERENCING

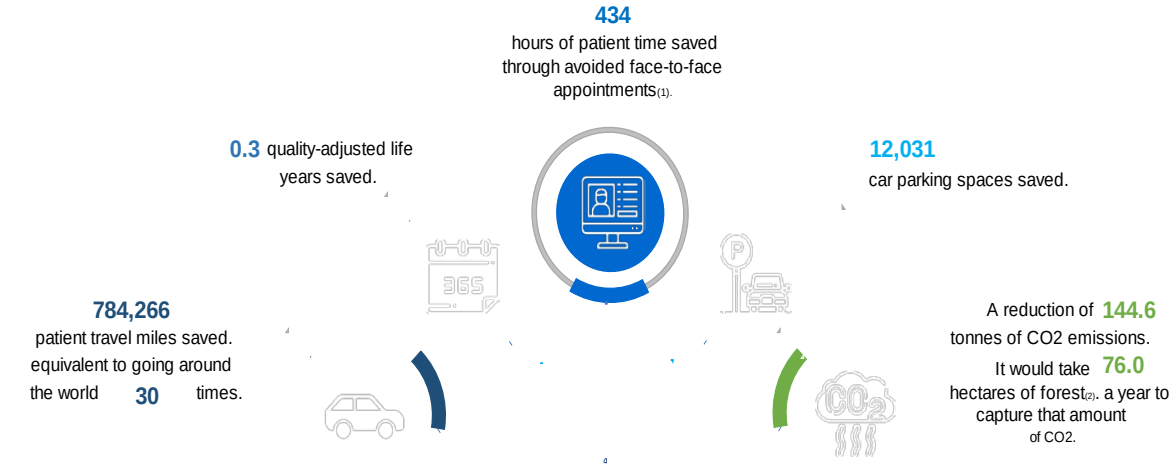
The introduction of the Attend Anywhere system has enabled the use of video and telephone conferencing as a way of conducting outpatient consultations. Use of the system began in March 2020 but became far more commonplace in April and May and still continues. This has obvious positive consequences on patient travel mileage. Patients' feedback has confirmed that they had saved time and money by not needing to travel to the hospital and back for their outpatient consultation.

From April 2020 to March 2021 there were 26,011 appointments, 7471 were by video-conferencing and the remaining 18,540 by telephone. The NHS has developed a tool to calculate the benefits relating to these virtual appointments. This avoided travel will also have saved on air pollutants and traffic congestion. The use of systems like this will be vital if the Trust (and NHS as a whole) is to meet the NHS Net Zero Carbon Footprint Plus 2045 target which includes patient travel to site.

Outpatient Transformation - Impact of avoided appointments

Gloucestershire Hospitals NHS Foundation Trust

Benefits based on the avoidance of 26,011 appointments:



Methodology & source information

Calculation methodology is based on the Sustainable Development Unit's Health Outcomes of Travel Tool (HOTT).

11.8 TRAVEL

We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the patients and public that use our services. We support a culture for active travel to improve staff wellbeing and reduce sickness.

Travel to Work

The number of passengers on the shuttle bus (service 99) reduced dramatically from March 2020. From April 2020 to March 2021 there were a total of 99,698 passengers of which 83,870 were NHS staff and the other 15,828 public. Compared to 2019-20 figures (222,252 total journeys of which 158,160 staff and 64,095 public) this represents a 55% decrease in overall passenger numbers, with a decrease in staff by 47% and public by 75%. This will be from a combination of factors including staff working from home or shielding, those following Government advice to avoid public transport where possible, the increased use of virtual meetings or staff whose shift patterns were altered and who had to change how they travelled to work. The drop in public passengers will reflect the change to more virtual appointments and the ban on visiting in-patients, as well as those shielding or not using public transport. Figures began to rise again in March 2021 but have not recovered to pre-COVID levels. The shuttle bus covered 176,847 miles and produced 303 tCO_2.

Passenger Numbers on service 99 (April 2019 to March 2021)

	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total 2020/21	4358	4345	6521	8178	8522	11235	11278	9651	9049	8177	7957	10427
Staff 2020/21	4073	3946	5676	6826	6725	8851	9012	8125	7590	7191	6964	8891
Public 2020/21	285	399	845	1352	1797	2384	2266	1526	1459	986	993	1536
Total 2019/20	17205	18511	17800	20283	17596	19992	21434	19773	16453	20367	18839	13999
Staff 2019/20	12250	13034	12212	13738	12095	14380	15314	14314	11720	14631	13656	10813
Public 2019/20	4955	5477	5588	6545	5501	5612	6120	5459	4733	5736	5183	3186

During lockdowns many of the staff who were able to work at home did so. This practice will continue for those who wish to, with many blending a mix of office and home days during the working week. The positives of this change will include decreased pressure on car parking, less congestion on all roads and in particular around the hospital sites, a reduction in pollution levels and therefore an improvement in air quality, and reduced stress on all travelers.

These changes need to be factored into the Trust's review of the 'Travel to Work' programme. This aims to help staff find alternative, more sustainable methods of travelling to work and to reduce on site car parking to manageable levels, available to those with a need to park on site. Whilst the plan encourages staff to use public transport and car share, obviously this was not something that could be promoted during the social distancing requirements in the pandemic. Therefore the plans to implement travel changes in autumn/winter 2020 were postponed and a new launch date for the revised parking policy and Green Travel Plan is not yet set.

Cycling

Three events were held across both sites, where Gloucestershire Constabulary provided advice on bike related security and carried bike coding. The Trust has 438 bike stands across both sites, with a number of lockable compounds for use by staff. The annual bike shed clear out (of abandoned bikes) resulted in three bikes being donated to the Gloucester Bike Project. This local charity will recommission the bikes and sell them. Five members of staff won new mountain bikes that were kindly donated by Severn Vale School. Ten other staff members won new D-locks donated by Gloucestershire Constabulary.

Car scheme

The Trust offers staff the ability to lease a new car through a salary sacrifice scheme. The car can have maximum carbon emissions of 110g/km CO2.

In addition, Tusker (the lease car scheme company) has included a Carbon Offsetting Initiative at no cost to the Trust. This allows staff to offset the carbon emissions of their new car and therefore to have a carbon neutral car for the duration of their lease agreement. Staff choose from one of four schemes (based in India, Chile, Brazil or Indonesia) and receive a regular newsletter to keep them informed on the schemes progress.

Since the scheme began in June 2016 129 members of staff have received cars or have them on order. The carbon offset is 560 tonnes CO2. Of the 67 cars currently

leased through the system 20 are electric.

Business travel and fleet

The Energy Saving Trust (EST) has completed a review of all the fleet vehicles belonging to the Trust and GMS. This review was fully funded by the Department of Transport and considers the fleet and 'grey' fleet i.e. the business mileage done by staff within their own vehicles. The EST remit is to provide independent, unbiased and pragmatic advice, which will help us to make the fleet more energy efficient, understand where low carbon vehicles could be appropriate and reduce both carbon emissions and costs.

The fleet report states that the Trust should be able to meet the NHS Long Term Plan (2019) target to have at least 90% of the fleet using low-emissions engines by 2028. The Trust should look to introduce electric vehicles (EV) over the next few years as the existing vehicle leases come to an end. This will all depend on essential upgrades to the site infrastructure, which are necessary before EV chargers can be installed on either main site. For the grey fleet, the report recommends monthly monitoring of mileage and assessment of the impact of home working and video conferencing as we return to business as usual, to ensure accurate data before introducing any additional pool cars or investigating car clubs.

The NHS Operational Planning Contracting Guidance (2020) requires all trusts to cut business mileage and fleet air pollutant emissions by 20% by 2023/24. https://www.england.nhs.uk/publication/nhs-operational-planning-and-contracting- guidance-2020-21/

During 20-21 the Trust fleet has covered 505,563 miles generating 118 tCO2. The business mileage was *c*. 449,000 miles, with 123 tCO2 and associated expenses claims of £378.396. The business mileage has dropped by 47% compared to the previous year, as a result of staff working from home and the use of tele and video conferencing for meetings, training and some patient clinics.

11.9 WASTE

The Trust continues to recycle a wide variety of materials. Green waste is composted on site and used catering oil is recovered as bio-fuel. Out of date clinical consumables are sent to wildlife and animal charities for reuse e.g. feeding tubes and dressing packs. All black bag waste is disposed of at Energy from Waste plant.

In January 2020 a Sterimelt machine was been installed in the waste yard at GRH. It provides a sustainable solution for the disposal of polypropylene tray wraps from Sterile Services Department and non-soiled patient slide sheets. The wraps and sheets are recycled into blocks which generates revenue. It is estimated that this will remove eleven tonnes of GHT waste from the orange bag waste stream per month – resulting in carbon and financial savings. Six times more carbon is produced in the disposal process for orange bags than is produced when recycling the orange bags in the Sterimelt machine.

Sharpsmart's reusable sharps system and their single use metal recycling system have been trialled at CGH and GRH. Feedback from many users has been positive but results are being evaluated. For the reusable sharps bins the decision is whether to roll out trust wide. For the single use metal recycling the decision is whether to introduce the scheme to areas other than Theatres.

Sharpsmart System results (reusable sharps bins and single use metal recycling) financial and carbon savings during trial from October 20 – January 21:

Metric Measured	**Weight (KG)**
Waste Diverted from Incineration	3494.85
Total Waste Processed (contents of reusable sharps and single use metal instrument bins)	2329.9
Waste Treated (contents of sharps bins sent to energy from waste facility)	2040.1
Waste/Metal Diverted for Recycling (single use metals)	289.8
Plastic Diverted from Incineration (sharps bins are washed and reused)	1164.95
CO2 Saved	6570.318
Savings achieved from using Sharpsmart reusable bins compared to standard system	£470.95

Sharpsmart have said that it is a phenomenal effort considering the data is only from three areas of the Trust and that GHT would be able to make a huge impact on our sustainability targets if we go trust wide with the reusable system.

A municipal Energy from Waste facility in Cardiff has agreed, with our general waste contractor Printwaste Recycling, to dispose of our offensive waste. The clinical waste contractor (Stericycle) who currently dispose of our offensive waste stream are unable to guarantee that it is not, on occasion, disposed of to landfill. The waste management team is currently considering various compactors suitable for low compaction of offensive waste. Once arrangements are in place the Trust will be zero to landfill.

There was little impact on the tonnage of clinical waste produced in the first few months of pandemic, as PPE is bulky but light weight and its addition to the waste stream was balanced by a decrease in elective activity. Black bag waste decreased perhaps relating to the fewer staff working on site, absence of visitors and closure of most retail outlets.

11.10 CATERING

GMS and the Trust follow the Government Buying Standards, fresh meat is from the Red Tractor assurance scheme and all fish and palm oil products are from sustainable sources. Dairy and bakery products, fruit and vegetables and fresh meat are all from suppliers within the county or the South-West. Menus change twice a year so there are spring-summer and autumn-winter patient menus which allow greater use of seasonal local fruit and vegetables reducing food miles.

In response to COVID-19 the opening hours of our retail outlets were extended to support Trust and GMS staff through the pandemic and did not return to normal until March 2021. The extended opening times in the first lockdown affected food wastage in our retail outlets, because even though we were offering a service the actual footfall of customers was minimal for food products. During the second lockdown and extended opening hours we reduced the food offer to enable less food waste. The Trust supported the staff through the pandemic by offering free hot drinks or bottled water and a 50% discount on all food. This has been very popular with the staff, but together with the reduction in seating (due to social distancing) it has meant a greater increase in takeaway disposables.

In order to give customers a broad choice, Catering services now offer a wider range of vegan and vegetarian options within retail and uptake of these products has increased. However we do have concerns as some vegan food items e.g. vegan cheese, is full of chemicals and additives - as caterers we must question if this is truly the healthier option?

The cost for disposables and takeaway boxes has increased due to Brexit issues, and together with a wish to become more sustainable, the Catering service is now looking at options for bamboo or wooden cutlery. Finding an alternative for hot food takeaway containers is very difficult so the plan is to sell binto boxes to staff. Returning customers who bring in the binto box (or any other suitable container) will receive a discount on food purchases.

Retail services are under review with the possibility of securing other outlets on the hospital sites. This will allow an extension of healthier options for staff, visitors and patients using GMS provided facilities and will increase the range of farm shop / local produce on offer. Catering Services are compliant with the sugar tax and exceed the compliance requirements of CQUIN.

New windows were installed in Fosters in March 2021 which should reduce energy use from heat loss during winter and by reducing the need for cooling fans in the summer. All GMS managed retail outlets are now cash-free accepting only payments by card or mobile phone app. There is now no need for a security company to travel to sites 2-3 times a week to collect cash and this has therefore reduced the associated carbon.

Patient meals untouched plate waste increased due to COVID and was particularly hard to manage during the second wave as the rest of the hospital was open. Frequent patient moves and ward changes (non-COVID to COVID wards) made it hard to judge meal production and resulted in increased patient meal wastage. Under the new patient meal service Catering will take over the whole process for patients' food, including an electronic meal ordering system and controlling stock levels in ward kitchens. This should all improve the quality of food and service given to the patient and reduce wastage.

11.11 PRIVATE FINANCE INITIATIVE (PFI)

Part of the Gloucestershire Royal site is a Private Finance Initiative (PFI)

scheme and Apleona PPP Limited are responsible for the maintenance and upkeep of that part of the building. The contract requires them to replace items on a like-for-like basis but as the building is now 17 years old replacement equipment tends to be more efficient than the original.

This year we completed the replacement program on the Emergency Lighting system with capability to report faults automatically via a web based reporting system. We also remain focused on bathroom and toilet refurbishments where we are stripping and laying the floor first so that any leaks have a greatly reduced chance of affecting any other areas. The installed equipment is much more resilient to flood damage, far easier to clean. We have reduced aerosol to inhibit legionella infection potential and simpler to maintain and test from a water view point. We are down to the last dozen or so to complete this program.

11.12 PROCUREMENT

GMS and Trust procurement services are committed to meeting industry best practice of incorporating both environmental and the wider Social Economic Responsibilities (SER) principles into all contracting activity undertaken. They support GMS and the Trust in meeting the procurement elements of the NHS Sustainable Development Assessment Tool (SDAT) which is aligned to the UN Sustainable Development Goals (SDGs).Procurement continue to build on thefoundation of previous work undertaken, which has focused on environmental sustainability, for example: requesting our suppliers to support moves towards less packaging, use of higher percentages of recycled materials in their products/packaging, to use more fuel efficient and/or alternative fuel vehicles, to share innovations in carbon offsetting and supporting the reduction of the Trust's carbon footprint.

There is zero tolerance of modern slavery within our immediate and extended supply chain(s). This includes evaluating suppliers on how they monitor their supply chains and how they ensure no materials used to deliver contract(s) are created through the use of bonded labour or infringement of human rights. It incorporates the wider SER principles e.g. ensuring there is no unnecessary use of zero hours contracts, that supplier's staff have an active voice in their workplace and that they are already moving to, or signed up to the national living wage.

All procurement exercises undertaken are reviewed and relevant sustainability and SER factors incorporated into the specifications and the evaluation methodologies, to ensure the Trust gets a sustainable solution that demonstrates the best value for public money being spent.

During 2021 Procurement will work with the sustainability team to see how best to measure and monitor carbon emissions from major contracts and supply chains.

11.13 MATERIALS MANAGEMENT / RECEIPT & DISTRIBUTION

The Materials Management team has had to deal with additional deliveries and stock associated with the pandemic, including PPE and vaccination consumables.

The Trust has rented an off-site store to hold pandemic stock safely and securely. The team has continued to enhance the information gathering IT systems for the COVID stock in order to improve efficiencies. During 2021 a new way of ordering stock will be introduced which will secure additional savings for the Trust.

11.14 GREEN SPACE AND BIODIVERSITY

Despite the rather constrained sites of Gloucestershire Royal Hospital and Cheltenham General, both benefit from good tree cover that has been developed over many years. The Grounds team has worked hard this year at GRH to ensure that the planned development does not adversely affect the number of trees. Although some have had to be removed, the site layout has been altered to ensure retention of three significant threes that were originally planned to be removed. The plan is to more than replace the number of trees lost.

Unfortunately the commercial teams who normally help with specific projects have been suspended for the year for obvious reasons, though our small team of volunteers has continued to assist the in-house Grounds team. However we were able to start a new project in collaboration with some sixth form pupils from Cheltenham College with a wildlife survey and woodland work in the small copse at the rear of Thirlestaine Court in Cheltenham.

Despite the challenges this year, the Grounds team have delivered a new staff garden and renovated the herb garden by Fosters restaurant at GRH, provided a new staff seating area at Glasshouse CGH and some new borders at West Block CGH. The garden at Fosters included a trial vegetable plot which the grounds team hopes to expand when opportunities arise. The new garden spaces have benefitted from the donation of some attractive garden furniture.

There are numerous garden projects planned for the coming year. These include a new wildlife garden at Wotton Lodge GRH using reclaimed materials, completion of a renovated staff area at Pharmacy with a focus on medicinal plants with a small outdoor teaching area and a new garden in the Alexandra House courtyard at CGH.

11.15 CAPITAL PROJECTS

A draft GMS Capital Manual has been developed and will be signed off in 2021. This is based on the Royal Institute of British Architects sustainability standards. It will help Trust project managers to ensure that new builds and major refurbishment schemes consider a wide range of sustainability aspects including water use, net zero operational carbon and whole life carbon.

Capital are working with Procurement colleagues to include sustainability elements within tender selection processes for the measured term contracts which cover contractual works for flooring, heating, pipework etc.

11.16 FUTURE DEVELOPMENTS

In April 2018 we were successful in a Sustainability & Transformation (STP) bid to NHSE for £39.5m to develop both of our sites (GRH & CGH) to resolve a number

of issues within planned and urgent care across Gloucestershire. This is with NHSI for final approval with the aim to complete construction by mid-2023. The project will be BREEAM Very Good for both the refurbishment and new build aspects of the scheme. This project will comply with the NHS Operational Planning and Contracting Guidance (2020) to ensure new builds and refurbishment projects are delivered to net zero carbon standards.

https://www.england.nhs.uk/publication/nhs-operational-planning-and-contracting- guidance-2020-21/

11.17 ANAESTHETIC GASES

The carbon emissions from anaesthetic gases have been re-evaluated.

Year	Desflurane	Sevoflurane	Isoflurane	Nitrous Oxide	Entonox	Total tCO2e
2017	1141	95	10.13	743	1419	3409
2018	699	94	4.57	1120	1541	3459
2019	115	102	0	1023	1421	2661
2020	17	76.1	0	747	1375	2215

Theatres have continued to work on the reduction of anaesthetic gases. Desflurane bottles have been removed from all anaesthetic rooms, nitrous oxide was disconnected from theatre anaesthetic machines in March – both are only used if clinically needed. This work has supported the requirement laid out in the NHS Operational Planning Contracting Guidance (2020) to reduce the carbon footprint associated with anaesthetic gases by reducing the use of desflurane and sevoflurane used in surgery to less than 20% by volume.

https://www.england.nhs.uk/publication/nhs-operational-planning-and-contracting-guidance-2020-21/

11.18 SCOPE 1, 2 AND 3 EMISSIONS

Area	Type	Unit	Cost £
Greenhouse Gas Emissions	Scope 1 (gas consumption, fleet vehicles and anaesthetic gases)	18,974 tCO_2e	Total Scope 1, 2 and 3 emissions (not including anaesthetic gas) £2,912,571
	Scope 2 (electricity consumption)	867 tCO_2e	
	Scope 3 (business travel, water supply and treatment)	439 tCO_2	
Water	Water consumption	300,845m^3	£578,791

Waste minimisation and management	(a) total waste arising = 2,399 tonnes (b) waste to energy = 904 tonnes (c) waste recycled/reused = 534 tonnes (d) waste incinerated = 228 tonnes (e) waste sent to landfill = 35 tonnes (f) waste sent to an AT plant = 698 tonnes Overall waste tonnage decreased by 34 tonnes from 2019-20.	£696,586

The carbon emissions associated with the treatment and supply of water have been included in Scope 3 emissions for the first time. The emissions from anaesthetic gases have been reviewed and have increased from that reported last year.

12 ANNUAL REPORT OF THE AUDIT AND ASSURANCE COMMITTEE

12.1 INTRODUCTION

In accordance with best practice, the Audit and Assurance Committee produces an Annual Report setting out how the Committee has met its Terms of Reference during the past year.

12.2 REMIT AND TERMS OF REFERENCE

In addition to the normal range of financially based responsibilities the Committee has responsibility for scrutinising all risks and controls which may affect the Trust's business. This particularly relates to areas of risk management and clinical governance where the Committee is responsible for advising the Main Board as to whether a robust assurance framework is in place and operating effectively. The Committee is also acting as the Group Audit Committee ensuring that the subsidiary company (trading as Gloucestershire Managed Services (GMS)) has effective audit arrangements in place.

12.3 MEMBERSHIP

The Committee consists of three Non-Executive Directors, one of whom is required to have recent relevant financial experience. There is also regular attendance at the meeting from the Chief Executive Officer, Director of Finance, Director of Safety, Local Counter Fraud Specialist, Director of People and Organisational Development (as executive lead for corporate governance and risk), Trust Secretary, Corporate Risk Manager and both the Internal and External Auditors. Representatives of GMS, the Trust's estates and facilities subsidiary company, attend for relevant agenda items. A representative from the Council of Governors observes each meeting. Time is also allocated, prior to each meeting, for private discussion to take place between Committee Members and the internal and external auditors.

Claire Feehily has chaired the committee since July 2019.

12.4 2020/21 REVIEW OF THE YEAR

The Committee met eight times during the year, Six of these meetings were bi-monthly (in accordance with its terms of reference) based around the reporting cycle of Internal and External Auditors and the Annual Report and Accounts of the Foundation Trust. The other meetings were held in June 2020 for the purposes of approving and signing the annual report and accounts for year ended 2019/20.

Governance, Risk Management and Internal Control

The Committee has reviewed relevant disclosure statements, in particular the Annual Governance Statement (AGS) together with the Head of Internal Audit Opinion, external audit opinion and other appropriate independent assurances and considers that the AGS is consistent with the Committee's view on the Trust's system of internal control. Accordingly, the Committee supports Board Approval of the AGS.

The Committee has reviewed the completeness of the risk management system and the extent to which it is embedded in the organisation. The Committee believes that adequate systems for risk management are in place; ongoing work is required to ensure these are complied with throughout the whole organisation and continue to evolve to meet the needs of the Trust.

Internal Audit

Internal Audit provides a report to the Committee at each meeting. The Committee and Internal Audit have worked effectively together throughout the year to strengthen and be assured on the Trust's internal control processes. Significant progress continues to be made in responding to internal audit findings, with no outstanding actions resulting from previous years' audits and good executive management engagement and ownership of the internal audit plan and individual audits within it.

The Committee has also in year:

- Reviewed and approved the internal audit programme, operational plan and more detailed programme of work;
- Considered the major findings of internal audit and are assured that management have responded in an appropriate manner and that the Head of Internal Audit Opinion and that the AGS reflects any major control weaknesses.

External Audit

Ernst and Young were the Trust's External Auditors at the start of the 2020/21 and completed the 2019/20 audit process. Following a formal tender process led by the Procurement team, Deloitte LLP were appointed as the new external auditors by the Council of Governors on 20 October 2020 and the contract commenced 1 November 2020. Deloitte LLP also provides this function for the Group which includes GMS and the Charity.

The Committee has in year:

- Tendered for external audit services with representative from the Council of Governors
- Reviewed and agreed external audit's annual plan;
- Reviewed and commented on the reports prepared by external audit;
- Reviewed and commented on regular updates on matters impacting on the wider sector prepared by external audit;
- Considered the interim audit findings and received assurance that these have been addressed prior to final annual accounts audit;
- Reviewed and commented on the reports and opinion delivered as part of the final accounts audit.

Management

The Committee has challenged the assurance process when appropriate and has requested and received assurance reports from Trust management and various other sources both internally and externally throughout the year.

Financial Reporting

The Committee has reviewed the annual financial statements before submission to the Board and is entirely satisfied with the submission.

Other Matters

Further examples of the Audit and Assurance Committee's work during 2020/21 include:

- Noting updates related to COVID-19 on audit and assurance;
- Review of cyber security assurance report;
- Review of clinical audit assurance arrangements;
- Receive update on clinical effectiveness and Gloucestershire Safety and Quality Improvement Academy;
- Review of Freedom of Information process compliance;
- Obtaining assurance on the Trust's Emergency Prevention, Preparedness and Response (EPPR) arrangements, including a review of NHS England's EPPR external assurance report;
- Obtaining assurance on the design and effectiveness of the Trust risk management arrangements and intolerable risks;
- Review of annual debt report;
- Review of Modern Slavery Statement;
- Review of Reserved Matters related to GMS;
- Scrutiny of counter fraud reports;
- Review of the Board Assurance Framework.

Conclusion

The Committee is of the opinion that this annual report is consistent with the Annual Governance Statement and Head of Internal Audit Opinion and there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.

13 INDEPENDENT AUDITOR'S OPINION

Independent auditor's report to the board of governors and board of directors of Gloucestershire Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Gloucestershire Hospitals NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2021 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the group and foundation trust statements of comprehensive income;
- the group and foundation trust statements of financial position;
- the group statements of changes in taxpayers' equity;
- the group and foundation trust statements of cash flows; and
- the related notes 1 to 43.

We have also audited the information in the Remuneration Report and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on page 76;
- the table of pension benefits of senior managers and related narrative notes on page 78;
- the disclosure of pay multiples on page 82; and
- analysis of staff numbers of page 83.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts , which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation 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 foundation trust without the transfer of the foundation trust's services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- determination of whether an expenditure is capital in nature, is subjective: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature.
- accruals recorded at 31 March 2021 and the timing of their recognition at year-end is subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2021.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance; reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

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

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 , we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in April 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of

financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- 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; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Under the Code of Audit Practice, we are also required to report to you if:

- 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; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of this matter.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report and the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in these areas is unlikely to have a material impact on the financial statements or on our value for money conclusion.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Gloucestershire Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Hopton FCA (Statutory Auditor)
For and on behalf of Deloitte LLP
Appointed Auditor
Bristol, England
29 June 2021

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2021 issued on 29 June 2021 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31March 2021 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2021 issued on 29 June 2021, we were required to report to you if we had not been able to satisfy ourselves that the foundation trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We had nothing to report in respect of this matter.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2021 issued on 29 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and. We have now completed our work in this area.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion or on our exception reporting on the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of Gloucestershire Hospitals NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Michelle Hopton (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Bristol, United Kingdom]
21 September 2021

14 FINANCIAL STATEMENTS

Gloucestershire Hospitals NHS Foundation Trust

Annual accounts for the year ended 31 March 2021

Foreword to the accounts

Gloucestershire Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Gloucestershire Hospitals NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Deborah Lee**
Job title **Chief Executive Officer**
Date **29 June 2021**

Consolidated Statement of Comprehensive Income

		Trust	Group	Trust	Group
				Restated	
		2020/21	2020/21	2019/20	2019/20
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	570,250	570,904	514,893	515,562
Other operating income	4	74,488	81,024	56,778	63,446
Operating expenses	6, 8	(636,125)	(639,930)	(568,310)	(572,323)
Operating surplus/(deficit) from continuing operations		**8,614**	**11,998**	**3,361**	**6,685**
Finance income	11	2,015	71	2,760	297
Finance expenses	12	(3,357)	(3,357)	(7,442)	(7,442)
PDC dividends payable		(4,456)	(4,456)	(1,178)	(1,178)
Net finance costs		**(5,798)**	**(7,742)**	**(5,860)**	**(8,323)**
Other gains / (losses)	13	-	282	-	(200)
Corporation tax expense		-	(470)	-	(624)
Surplus(Deficit) for the year		**2,816**	**4,068**	**(2,499)**	**(2,462)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(1,917)	(1,917)	(17)	(17)
Revaluations	17	-	-	5,994	5,994
Total comprehensive income / (expense) for the period		**899**	**2,151**	**3,478**	**3,515**
Surplus(Deficit) for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		2,816	4,068	(2,499)	(2,462)
TOTAL		**2,816**	**4,068**	**(2,499)**	**(2,462)**
Total comprehensive income/ (expense) for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		899	2,151	3,478	3,515
TOTAL		**899**	**2,151**	**3,478**	**3,515**

The Trust's control total surplus for 2020/21, excluding the impact of impairments, was £2m, as detailed in Note 2 on page 16 (2019/20 £0.05m surplus).

Statements of Financial Position

	Note	Trust 31 March 2021 £000	Group 31 March 2021 £000	Trust 31 March 2020 £000	Group 31 March 2020 £000
Non-current assets					
Intangible assets	14	8,280	8,280	8,435	8,435
Property, plant and equipment	15	275,980	276,161	254,554	254,768
Other investments / financial assets	18	-	2,015	-	1,741
Receivables	22	6,149	6,149	5,889	5,889
Other assets	23	600	-	600	-
Total non-current assets		**291,009**	**292,605**	**269,478**	**270,833**
Current assets					
Inventories	21	8,463	8,933	8,704	9,121
Receivables	22	21,829	18,073	32,173	31,527
Cash and cash equivalents	25	75,984	80,951	31,502	39,783
Total current assets		**106,277**	**107,958**	**72,380**	**80,432**
Current liabilities					
Trade and other payables	26	(90,163)	(87,808)	(74,864)	(79,956)
Borrowings	28	(3,404)	(3,404)	(132,582)	(132,582)
Provisions	30	(10,824)	(10,824)	(170)	(170)
Other liabilities	27	(11,520)	(11,585)	(3,401)	(3,401)
Total current liabilities		**(115,911)**	**(113,621)**	**(211,017)**	**(216,109)**
Total assets less current liabilities		**281,375**	**286,942**	**130,841**	**135,156**
Non-current liabilities					
Borrowings	28	(37,438)	(37,438)	(40,609)	(40,609)
Provisions	30	(2,892)	(2,892)	(2,850)	(2,850)
Other liabilities	27	(6,517)	(6,517)	(6,484)	(6,484)
Total non-current liabilities		**(46,847)**	**(46,847)**	**(49,943)**	**(49,943)**
Total assets employed		**234,528**	**240,095**	**80,898**	**85,213**
Financed by					
Public dividend capital		332,033	332,033	179,302	179,302
Revaluation reserve		27,766	27,766	29,683	29,683
Other reserves		209	209	209	209
Income and expenditure reserve		(125,480)	(125,480)	(128,296)	(128,296)
Charitable fund reserves	20	-	5,567	-	4,315
Total taxpayers' equity		**234,528**	**240,095**	**80,898**	**85,213**

The notes on pages 8 to 49 form part of these accounts.

Name Deborah Lee
Position Chief Executive Officer
Date **29 June 2021**

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

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**179,302**	**29,683**	**209**	**(128,296)**	**80,898**
Surplus/(deficit) for the year	-	-	-	2,816	**2,816**
Impairments	-	(1,917)	-	-	**(1,917)**
Public dividend capital received	152,731	-	-	-	**152,731**
Taxpayers' and others' equity at 31 March 2021	**332,033**	**27,766**	**209**	**(125,480)**	**234,528**

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

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**172,676**	**23,706**	**209**	**(125,898)**	**70,693**
Prior period adjustment	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2019 - restated	**172,676**	**23,706**	**209**	**(125,898)**	**70,693**
Surplus/(deficit) for the year	-	-	-	(2,398)	**(2,398)**
Impairments	-	(17)	-	-	**(17)**
Revaluations	-	5,994	-	-	**5,994**
Public dividend capital received	6,626	-	-	-	**6,626**
Taxpayers' and others' equity at 31 March 2020	**179,302**	**29,683**	**209**	**(128,296)**	**80,898**

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**179,302**	**29,683**	**209**	**(128,296)**	**4,315**	**85,213**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	-	-	-	2,816	1,252	**4,068**
Impairments	-	(1,917)	-	-	-	**(1,917)**
Public dividend capital received	152,731	-	-	-	-	**152,731**
Taxpayers' and others' equity at 31 March 2021	**332,033**	**27,766**	**209**	**(125,480)**	**5,567**	**240,095**

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**172,676**	**23,706**	**209**	**(125,898)**	**4,379**	**75,072**
Surplus/(deficit) for the year	-	-	-	(2,398)	(64)	**(2,462)**
Impairments	-	(17)	-	-	-	**(17)**
Revaluations	-	5,994	-	-	-	**5,994**
Public dividend capital received	6,626	-	-	-	-	**6,626**
Taxpayers' and others' equity at 31 March 2020	**179,302**	**29,683**	**209**	**(128,296)**	**4,315**	**85,213**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Other reserves
On the original setting up of the Trust in 2003 there was an error made on the initial PDC to cover the value of the net assets of the new organisation. The adjustment was credited to other reserves and will remain with the Trust until the Trust is dissolved.

Merger reserve
This reserve reflects balances formed on merger of NHS bodies.

Charitable funds reserve
This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 20.

Statements of Cash Flows

	Note	Trust 2020/21 £000	Group 2020/21 £000	Trust 2019/20 £000	Group 2019/20 £000
Cash flows from operating activities					
Operating surplus / (deficit)		8,614	11,998	3,361	6,685
Non-cash income and expense:		-		-	
Depreciation and amortisation	6.1	17,647	17,693	15,114	15,153
Net impairments	7	433	433	3,332	3,332
Income recognised in respect of capital donations	4	(1,717)	(1,717)	(1,352)	(1,352)
(Increase) / decrease in receivables and other assets		10,084	13,393	(6,622)	(6,690)
(Increase) / decrease in inventories		241	188	(1,270)	(1,550)
Increase / (decrease) in payables and other liabilities		24,812	15,777	23,054	24,168
Increase / (decrease) in provisions		10,616	10,616	1,382	1,382
Movements in charitable fund working capital		-	367	-	(267)
Tax (paid) / received		-	(1,379)	-	(623)
Net cash flows from / (used in) operating activities		**70,730**	**67,369**	**36,999**	**40,238**
Cash flows from investing activities					
Interest received		11	11	219	219
Purchase of intangible assets		(1,251)	(1,251)	(3,726)	(3,726)
Purchase of PPE and investment property		(37,564)	(37,577)	(29,699)	(29,745)
Receipt of cash donations to purchase assets		596	596	-	-
Net cash flows from charitable fund investing activities		-	60	-	78
Net cash flows from / (used in) investing activities		**(38,208)**	**(38,161)**	**(33,206)**	**(33,174)**
Cash flows from financing activities					
Public dividend capital received		152,731	152,731	6,626	6,626
Movement on loans from DHSC		(130,045)	(130,045)	26,870	26,870
Capital element of finance lease rental payments		(1,379)	(1,379)	(1,699)	(1,699)
Capital element of PFI, LIFT and other service concession payments		(519)	(519)	(568)	(568)
Interest on loans		(1,670)	(1,670)	(4,716)	(4,716)
Interest paid on finance lease liabilities		(96)	(96)	(94)	(94)
Interest paid on PFI, LIFT and other service concession obligations		(2,167)	(2,167)	(2,505)	(2,505)
PDC dividend (paid) / refunded		(4,895)	(4,895)	(1,041)	(1,041)
Net cash flows from / (used in) financing activities		**11,960**	**11,960**	**22,873**	**22,873**
Increase / (decrease) in cash and cash equivalents		**44,482**	**41,168**	**26,666**	**29,937**
Cash and cash equivalents at 1 April - brought forward		**31,502**	**39,783**	**4,836**	**9,846**
Cash and cash equivalents at 31 March	25	**75,984**	**80,951**	**31,502**	**39,783**

Notes to the Accounts

Note 1 Accounting policies and other information

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

Accounting convention

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

Note 1.2 Going concern

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

Note 1.3 Consolidation

Entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where subsidiaries' accounting policies are not aligned with the Trust or where the subsidiaries' accounting dates are not coterminous. The amounts consolidated are drawn from the financial statements of Gloucestershire Hospitals Charitable Fund and Gloucestershire Hospitals Subsidiary Company Ltd. Intra-entity balances, transactions and gains/losses are eliminated in full on consolidation.

NHS Charitable Funds

The trust is the corporate trustee to the Gloucestershire Hospitals charitable fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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

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

Gloucestershire Hospitals Subsidiary Company Ltd

The Trust wholly owns Gloucestershire Hospitals Subsidiary Company Ltd. (known as Gloucestershire Managed Services, GMS) which form part of the consolidated accounts. GMS provides the estates, facilities, sterile services and materials management services for the Trust. Its turnover for the period ended 31st March 2021 was £64m (2019-20 £56.7m) and its gross assets at 31st March totalled £20.2m (2019-20 £19.9m).

The Gloucestershire Hospitals Subsidiary Company Ltd statutory accounts are prepared to 31 March in accordance with UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

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

Note 1.4 Revenue from contracts with customers

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

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

Income in respect of goods/services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care services. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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 contract.

Revenue from NHS contracts

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

2020/21

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

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

Comparative period (2019/20)

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

Revenue from research contracts

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

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations have been 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.

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.

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, 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 (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

A formal revaluation is required every 5 years with an interim formal valuation in the third year of each cycle. A Modern Equivalent Asset Optimised Alternative Site valuation was undertaken as at 1st April 2017 by the Trust's independent valuer. A desktop valuation, on an MEA basis and excluding VAT, was undertaken by the Trust's independent valuer as at 31st March 2021.

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

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

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

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

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

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

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. Assets are depreciated on a straight line basis over the assets useful life. The range of useful lives are shown in the table below:

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	15	79
Dwellings	90	90
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

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

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

Software which is integral to the operation of hardware, 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Years	Years
Development expenditure	1	8
Software licences	1	8

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy inventory is measured on a wheighted average basis all other inventories are measured using the first in, first out (FIFO) method.

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, 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 are classified as subsequently measured at amortised cost, fair value through income and expenditure.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

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

Financial assets and financial liabilities at fair value through income and expenditure

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

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 type and age of receivable with differing percentages applied to the various categories of receivables.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

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

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

Note 1.13 Leases

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

The trust as a 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 a lessor

Finance leases

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

Operating leases

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

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

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

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 30.2 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.15 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 31 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to Corporation Tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:
- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax; - Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.
The majority of the Trust's activities are related to core health care and are not subject to tax. However, the Trust's commercial subsidiary is subject to Corporation Tax.
The Trust operates a wholly owned subsidiary limited liability company Gloucestershire Managed Services (GMS) which has a liability for Corporation Tax due on surpluses at financial year end. Corporation Tax payable on surpluses at financial year end is assessed by a qualified financial advisor and a Corporation Tax liability is recorded in the Trust balance sheet.

Note 1.19 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

a) Plant and equipment is valued at depreciated replacement cost, the valuation being assessed by the Trust's Independent Valuer who values those assets with a written down value of greater than £100k. This process also includes those equipment items currently leased.

b) The Trust leases a number of equipment assets and the Trust has assessed the risks and rewards of ownership in categorising these leases as either operating or finance leases.

c) The Trust is required to review property, plant and equipment for impairment in between formal valuations by a suitably qualified valuer. Management make judgements about the condition of assets and review their estimated lives taking account of the professional advice of the Trust's Independent Valuer.

d) The Trust employed an independent consultancy to develop an optimised alternative site Modern Equivalent Asset model as the basis of the valuation. The assumption for this is that the number of buildings and size of site would reduce if building now to provide the same services. The valuation of buildings is net of VAT for the first time in the 2018/19 financial year. This reflects the set-up and operation of the Trust wholly owned subsidiary on the 1st April 2018, Gloucestershire Managed Services, and the assumption that the subsidiary company will be used to replace any such assets.
e) During the year the Trust has recognised a provision in relation to a VAT dispute which is in the process of Judicial review. Management have assess the liklihood of HMRC being successful at 50% therefore a critical judgement has been made and a provision has been recognised. f) The Trust has made the critcial judgement to value property net of VAT. This is on the basis that its subsidary company GMS would be able to reclaim the VAT.

Note 1.26 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:

a) the cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements as an accrual. As the calculation involves a large number of staff, sampling techniques are used to collate the results for the entire Trust. The amount accrued in 2020-21 was £4,899k (2019-20 £799k).

b) The useful economic life of each category of fixed asset is assessed when acquired by the Trust. A degree of estimation is used in assessing the useful economic lives of assets asset lives are detailed in note 1.9.

c) A desktop valuation, measured on a MEA basis, was undertaken by the Trust's Independent Valuer during February with a valuation date as at as at 31st March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Stardards 2020 Red Book.

d) Management has estimated the VAT provision based on the best estimate of the potential economic outflow in the event that HMRC are successful in relation to the onging VAT dispute.

Note 2 Operating Segments

The financial information presented to the Trust Board by the Director of Finance regarding performance of the Trust is based on the whole Trust as one entity (i.e. it is not split over operating segments). The Trust's internal management structure is based on operating divisions i.e. Surgery, Medicine, Diagnostics and Specialties, Women and Children, Estates and Facilities and Corporate Services. The Divisional boards are provided with financial information specific to their operational areas.

For segmental reporting, the Trust considers the presentation to inform the Board representatives of the business of healthcare as its sole segment.

Operational Division	**2020/21**		**2019/20 Revised**	
	Trust	**Total**	**Trust**	**Total**
	£000	**£000**	**£000**	**£000**
Diagnostics and Specialties	126,829	126,829	121,088	121,088
Medicine	131,771	131,771	128,406	128,406
Surgery	137,390	137,390	136,710	136,710
Women and Children	53,618	53,618	51,114	51,114
Estates and Facilities	34,899	34,899	35,694	35,694
Corporate Services	59,605	59,605	53,427	53,427
Covid-19	25,476	25,476	760	760
Trustwide	23,153	23,153	4,451	4,451
Capital Financing	26,639	26,639	27,191	27,191
Total Expenditure	619,380	619,380	558,841	558,841
Total Income	622,196	622,196	556,342	556,342
Surplus (Deficit)	**2,816**	**2,816**	**(2,499)**	**(2,499)**

Reconciliation of Statement of Comprehensive Income (SOCI)

	2020/21	**2019/20**
	£000	**£000**
Statement of Comprehensive Income	2,816	3,579
Net Impairments	1,917	(5,964)
Operational Surplus (Deficit)	**4,733**	**(2,385)**

Note: The Trust performance on a control total basis equates to £2.07m surplus (Operational surplus less impairments in expenditure of £433k and donated asset expenditure of £1,182k) (2019/20 £50k surplus).

This note relates to the Trust only as the subsidiary is consolidated within the estates and facilities division.

Note 3 Operating income from patient care activities (Group)

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

Note 3.1 Income from patient care activities (by nature)	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Block contract / system envelope income*	528,727	528,727	314,897	314,897
High cost drugs income from commissioners (excluding pass-through costs)	20,776	20,776	62,837	62,837
Other NHS clinical income	334	334	116,443	116,443
Private patient income	2,291	2,291	3,475	3,475
Additional pension contribution central funding**	16,124	16,778	14,801	15,470
Other clinical income	1,998	1,998	2,440	2,440
Total income from activities	**570,250**	**570,904**	**514,893**	**515,562**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)	2020/21		2019/20	
	Trust	Group	Trust	Group
Income from patient care activities received from:	£000	£000	£000	£000
NHS England	141,987	142,641	130,531	131,200
Clinical commissioning groups	419,847	419,847	372,726	372,726
Other NHS providers	334	334	286	286
NHS other	3,793	3,793	5,435	5,435
Local authorities	-	-	-	-
Non-NHS: private patients	2,291	2,291	3,475	3,475
Non-NHS: overseas patients (chargeable to patient)	160	160	524	524
Injury cost recovery scheme	1,024	1,024	949	949
Non NHS: other	814	814	967	967
Total income from activities	**570,250**	**570,904**	**514,893**	**515,562**
Of which:				
Related to continuing operations	570,250	570,904	514,893	515,562
Related to discontinued operations	-	-	-	-

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

	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Income recognised this year	160	160	524	524
Cash payments received in-year	91	91	239	239
Amounts added to provision for impairment of receivables	296	296	650	650
Amounts written off in-year	471	471	22	22

Note 4 Other operating income (Group)

	2020/21			2019/20 Restated		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,270	-	**2,270**	2,138	-	**2,138**
Education and training	14,946	654	**15,600**	13,692	572	**14,264**
Non-patient care services to other bodies	11,493	-	**11,493**	11,372	-	**11,372**
Provider sustainability fund (2019/20 only)	-	-	**-**	8,527	-	**8,527**
Financial recovery fund (2019/20 only)	-	-	**-**	8,787	-	**8,787**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	3,997	-	**3,997**
Reimbursement and top up funding	34,756	-	**34,756**	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	2,545	-	**2,545**	3,926	-	**3,926**
Receipt of capital grants and donations	-	1,717	**1,717**	-	1,352	**1,352**
Charitable and other contributions to expenditure	-	5,801	**5,801**	-	-	**-**
Charitable fund incoming resources	-	2,334	**2,334**	-	2,067	**2,067**
Other income	4,508	-	**4,508**	7,016	-	**7,016**
Total other operating income	**70,518**	**10,506**	**81,024**	**59,455**	**3,991**	**63,446**
Of which:						
Related to continuing operations	70,518	10,506	81,024	59,455	3,991	63,446
Related to discontinued operations	-	-	-	-	-	-

Note 4.1 Other operating income

	2020/21		2019/20 Restated	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development (contract)	2,270	2,270	2,138	2,138
Education and training (excluding notional apprenticeship levy income)	14,946	14,946	13,692	13,692
Non-patient care services to other bodies	8,026	11,493	8,282	11,372
Provider sustainability fund (PSF)	-	-	8,527	8,527
Financial recovery fund (FRF)	-	-	8,787	8,787
Marginal rate emergency tariff funding (MRET)	-	-	3,997	3,997
Reimbursement and top up funding	34,756	34,756	-	-
Income in respect of employee benefits accounted on a gross basis	2,545	2,545	3,926	3,926
Other contract income*	3,808	4,508	5,538	7,016
Other non-contract operating income				
Education and training - notional apprenticeship levy income	619	654	539	572
Receipt of capital grants and donations	7,518	7,518	1,352	1,352
Charitable fund incoming resources	-	2,334	-	2,067
Total other operating income	**74,488**	**81,024**	**56,778**	**63,446**
Of which:				
Related to continuing operations	74,488	81,024	56,778	63,446
Related to discontinued operations	-	-	-	-

* Analysis of Other operating income: Other contract income

	2020/21	2019/20
	Total	Total
	£000	£000
Car parking	0	1,532
Creche services	826	850
Catering	603	1,198
Other	3,090	3,539
Total	**4,519**	**7,119**

Due to COVID we have not received any car parking income during 2020/21

Note 5.1 Income from activities arising from commissioner requested services

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

	2020/21	2019/20
	£000	£000
Income from services designated as commissioner requested services	567,639	510,596
Income from services not designated as commissioner requested services	3,265	4,966
Total	**570,904**	**515,562**

Note 5.2 Fees and charges (Group)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.
There were no fees or charges received that exceeded £1m during the reporting period (2019/20 Nil)

Note 6.1 Operating expenses (Group)	2020/21		2019/20 Restated	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	4,539	4,539	5,420	5,420
Staff and executive directors costs	376,698	399,083	338,668	358,545
Remuneration of non-executive directors	181	209	168	208
Supplies and services - clinical (excluding drugs costs)	31,546	42,017	36,785	40,047
Supplies and services - general	15,852	20,419	12,003	16,273
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	75,854	75,854	74,458	74,458
Consultancy costs	974	990	1,346	1,432
Establishment	3,877	4,558	4,003	4,666
Premises	72,768	35,475	53,887	26,614
Transport (including patient travel)	1,064	1,704	746	1,372
Depreciation on property, plant and equipment	16,242	16,287	14,296	14,368
Amortisation of intangible assets	1,406	1,406	785	785
Net impairments	433	433	3,332	3,332
Movement in credit loss allowance: contract receivables / contract assets	613	1,063	417	417
Increase/(decrease) in other provisions	10,836	10,836	-	-
Change in provisions discount rate(s)	(59)	(59)	(24)	(24)
Audit fees payable to the external auditor				
audit services- statutory audit	91	120	61	65
other auditor remuneration (external auditor only)	-	-	-	9
Internal audit costs	63	78	74	74
Clinical negligence	17,577	17,577	16,467	16,467
Legal fees	244	244	179	179
Insurance	345	345	288	288
Research and development	32	32	46	46
Education and training	1,889	1,970	1,795	1,881
Rentals under operating leases	479	479	453	453
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,740	1,740	1,656	1,656
Car parking & security	6	297	4	245
Hospitality	3	3	8	8
Losses, ex gratia & special payments	46	46	27	27
Other NHS charitable fund resources expended	-	1,163	-	1,755
Other	786	1,022	962	1,257
Total	**636,125**	**639,930**	**568,310**	**572,323**
Of which:				
Related to continuing operations	636,125	639,930	568,310	572,323
Related to discontinued operations	-	-	-	-

Note 6.2 Other auditor remuneration (Group)	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other auditor remuneration paid to the external auditor:				
2. Audit-related assurance services	-	-	9	9
Total	**-**	**-**	**9**	**9**

Note 6.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1 million (2019/20: £2 million).

Note 7 Impairment of assets (Group)	2020/21		2019/20	
	Trust	Group	Trust	Group
Other comprehensive income				
Net impairments charged to operating surplus / deficit resulting from:				
Other	433	433	3,332	3,332
Total net impairments charged to operating surplus / deficit	**433**	**433**	**3,332**	**3,332**
Impairments charged to the revaluation reserve	1,917	1,917	17	17
Total net impairments	**2,350**	**2,350**	**3,349**	**3,349**

Note 8 Employee benefits (Group)

	2020/21		2019/20 Restated	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Salaries and wages	277,351	294,071	250,143	264,638
Social security costs	29,351	30,601	26,021	27,121
Apprenticeship levy	1,501	1,567	1,262	1,320
Employer's contributions to NHS pensions	52,951	55,079	47,106	49,308
Temporary staff (including agency)	15,544	17,504	14,136	15,908
NHS charitable funds staff	-	261	-	250
Total gross staff costs	**376,698**	**399,083**	**338,668**	**358,545**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**376,698**	**399,083**	**338,668**	**358,545**
Of which				
Costs capitalised as part of assets	-	-	-	-

Note 8.1 Retirements due to ill-health (Group)

During 2020/21 there was 1 early retirement from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £47k (0k in 2019/20).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

The Trust has employees who are members of the National Employment Savings Trust (NEST) which is a defined contribution pension scheme. In accounting for this scheme the trust recognises expenditure for its employer contributions as they fall due.

Note 10 Operating leases (Group)

Note 10.1 Gloucestershire Hospitals NHS Foundation Trust as a lessor

The Trust does not receive any operating lease income. (2019/20 Nil)

Note 10.2 Gloucestershire Hospitals NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Gloucestershire Hospitals NHS Foundation Trust is the lessee.

The Trust provides staff (subject to meeting certain criteria) with a lease vehicle, which is available for both personal use and business duties. This is based on the NHS lease scheme. Vehicles are initially leased on a fully maintained basis for 3 years with an option to extend to a fourth year.

The Trust occupies a former Victorian Warehouse converted to office accommodation which houses the County's Finance and Procurement Shared Services. The lease was due to expire in 2017/18 but has now been extended to September 2028. The Trust also occupies an industrial unit in Cinderford where it provides a dialysis service. The lease is due to expire in 2033.

	2020/21 £000	2019/20 £000
Operating lease expense Group		
Minimum lease payments	479	453
Contingent rents	-	-
Less sublease payments received	-	-
Total	**479**	**453**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due: Group		
- not later than one year;	401	389
- later than one year and not later than five years;	1,185	1,070
- later than five years.	695	937
Total	**2,281**	**2,396**
Future minimum sublease payments to be received	-	-

GMS does not have any operating leases.

Note 11 Finance income (Group)

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

	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest on bank accounts	11	11	219	219
NHS charitable fund investment income	-	60	-	78
Other finance income	2,004	-	2,541	-
Total finance income	**2,015**	**71**	**2,760**	**297**

Note 12.1 Finance expenditure (Group)

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

	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	1,015	1,015	4,799	4,799
Finance leases	96	96	94	94
Main finance costs on PFI and LIFT schemes obligations	1,233	1,233	1,272	1,272
Contingent finance costs on PFI and LIFT scheme obligations	933	933	1,233	1,233
Total interest expense	**3,277**	**3,277**	**7,398**	**7,398**
Unwinding of discount on provisions	80	80	44	44
Total finance costs	**3,357**	**3,357**	**7,442**	**7,442**

The Trust did not incur any late payment penalties (2019/20 Nil).

Note 13 Other gains / (losses) (Group)

	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Fair value gains / (losses) on financial assets / investments	-	282	-	(200)
Total other gains / (losses)	**-**	**282**	**-**	**(200)**

Note 14.1 Intangible assets - 2020/21

Group	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	**9,220**	**9,220**
Additions	1,251	**1,251**
Valuation / gross cost at 31 March 2021	**10,471**	**10,471**
Amortisation at 1 April 2020 - brought forward	**785**	**785**
Provided during the year	1,406	**1,406**
Amortisation at 31 March 2021	**2,191**	**2,191**
Net book value at 31 March 2021	**8,280**	**8,280**
Net book value at 1 April 2020	**8,435**	**8,435**

Note 14.2 Intangible assets - 2019/20

Group	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	**10,412**	**10,412**
Valuation / gross cost at 1 April 2019 - restated	**10,412**	**10,412**
Transfers by absorption	-	**-**
Additions	3,726	**3,726**
Impairments	(4,918)	**(4,918)**
Valuation / gross cost at 31 March 2020	**9,220**	**9,220**
Amortisation at 1 April 2019 - as previously stated	**-**	**-**
Provided during the year	785	**785**
Impairments	-	**-**
Amortisation at 31 March 2020	**785**	**785**
Net book value at 31 March 2020	**8,435**	**8,435**
Net book value at 1 April 2019	**10,412**	**10,412**

GMS does not have any intangible assets.

Note 15.1 Property, plant and equipment - 2020/21

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 - brought forward	**11,450**	**199,425**	**196**	**2,110**	**54,333**	**134**	**24,273**	**320**	**292,241**
Additions	-	8,398	-	14,824	10,552	-	6,251	5	**40,030**
Impairments	-	(1,982)	-	-	-	-	-	-	**(1,982)**
Reversals of impairments	-	65	-	-	-	-	-	-	**65**
Revaluations	-	(8,642)	42	-	-	-	-	-	**(8,600)**
Valuation/gross cost at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**64,885**	**134**	**30,524**	**325**	**321,754**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**24,952**	**11**	**12,199**	**310**	**37,472**
Provided during the year	-	8,167	-	-	4,105	13	3,987	15	**16,287**
Impairments	-	646	-	-	-	-	-	-	**646**
Reversals of impairments	-	(171)	(42)	-	-	-	-	-	**(213)**
Revaluations	-	(8,642)	42	-	-	-	-	-	**(8,600)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**29,057**	**24**	**16,186**	**325**	**45,592**
Net book value at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**35,828**	**110**	**14,338**	**-**	**276,161**
Net book value at 1 April 2020	**11,450**	**199,425**	**196**	**2,110**	**29,381**	**123**	**12,074**	**10**	**254,768**

Note 15.2 Property, plant and equipment - 2019/20

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	**11,450**	**189,649**	**187**	**2,160**	**70,637**	**763**	**38,390**	**343**	**313,578**
Prior period adjustments	-	-	-	-	(30,739)	(629)	(20,056)	(45)	**(51,469)**
Valuation / gross cost at 1 April 2019 - restated	**11,450**	**189,649**	**187**	**2,160**	**39,898**	**134**	**18,334**	**298**	**262,109**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	6,914	-	3,047	14,435	-	5,939	22	**30,357**
Impairments	-	(26)	-	-	-	-	-	-	**(26)**
Reversals of impairments	-	48	9	-	-	-	-	-	**57**
Revaluations	-	(257)	-	-	-	-	-	-	**(257)**
Reclassifications	-	3,097	-	(3,097)	-	-	-	-	**-**
Valuation/gross cost at 31 March 2020	**11,450**	**199,425**	**196**	**2,110**	**54,333**	**134**	**24,273**	**320**	**292,240**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**-**	**-**	**-**	**52,016**	**627**	**29,376**	**343**	**82,362**
Prior period adjustments	-	-	-	-	(30,739)	(629)	(20,056)	(45)	**(51,469)**
Accumulated depreciation at 1 April 2019 - restated	**-**	**-**	**-**	**-**	**21,277**	**(2)**	**9,320**	**298**	**30,893**
Provided during the year	-	7,789	-	-	3,675	13	2,879	12	**14,368**
Impairments	-	(9)	-	-	-	-	-	-	**(9)**
Reversals of impairments	-	(1,529)	-	-	-	-	-	-	**(1,529)**
Revaluations	-	(6,251)	-	-	-	-	-	-	**(6,251)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**24,952**	**11**	**12,199**	**310**	**37,472**
Net book value at 31 March 2020	**11,450**	**199,425**	**196**	**2,110**	**29,381**	**123**	**12,074**	**10**	**254,768**
Net book value at 1 April 2019	**11,450**	**189,649**	**187**	**2,160**	**18,621**	**136**	**9,014**	**-**	**231,216**

Note 15.3 Property, plant and equipment financing - 2020/21

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Charitable fund PPE assets £000	Total £000
Net book value at 31 March 2021										
Owned - purchased	11,450	145,436	238	16,934	28,219	110	14,338	-	-	**216,724**
Finance leased	-	8,499	-	-	3,589	-	-	-	-	**12,088**
On-SoFP PFI contracts and other service concession arrangements	-	40,947	-	-	-	-	-	-	-	**40,947**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	2,382	-	-	4,020	-	-	-	-	**6,402**
NBV total at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**35,828**	**110**	**14,338**	**-**	**-**	**276,161**

Note 15.4 Property, plant and equipment financing - 2019/20

Group	Land £000	Buildings excluding dwellings 21829	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Charitable fund PPE assets £000	Total £000
Net book value at 31 March 2020										
Owned - purchased	11,450	146,302	-	2,110	21,189	123	12,074	10	-	**193,258**
Finance leased	-	8,590	196	-	4,846	-	-	-	-	**13,632**
On-SoFP PFI contracts and other service concession arrangements	-	42,117	-	-	-	-	-	-	-	**42,117**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	2,416	-	-	3,346	-	-	-	-	**5,762**
NBV total at 31 March 2020	**11,450**	**199,425**	**196**	**2,110**	**29,381**	**123**	**12,074**	**10**	**-**	**254,768**

Disclosure

Included within the dwelling figures above at 31st March 2021 are a number of properties formerly in the ownership of Gloucestershire Royal NHS Trust and East Gloucestershire NHS Trust (which now form the Gloucestershire Hospitals NHS Foundation trust) sold to a registered Housing Association in April 2000 and June 2004 respectively. These units were for residential accommodation mainly to NHS staff and families. The registered Housing Association is now responsible for this provision with the Trust having nomination rights. Both separate agreement contain a 99 year lease with a Trust option to break at 30 years and every 5 years, which if exercised will enable the Trust to take back the freehold of the land and buildings with vacant possession at no cost. They have been valued by the independent professional advisor on a residual value basis.

Plant and machinery includes a number of "finance leases" included as part of the IFRS requirements which relate to high cost medical equipment which the Trust will use for the whole primary lease period which is consistent with its perceived asset life. At the balance sheet date the value of these leases equates to £3,589k (2019-20 £4,846k). This equipment is for Radiology, linear accelerators and ultrasound machines.

Included within buildings is the PFI scheme consisting of a Diagnostic & Treatment centre, therapy services, a new accident and emergency department and 75 inpatient bed spaces. The scheme was handed over in April 2002 and runs for 31 years and 10 months from that date. The initial scheme cost including all fees was £39.6m. The value at the Statement of Financial Position date is £40.9m (2019-20 £42.1m).

Land and Buildings values have been determined by the Trust's Independent Valuer, their revaluation of the Trust estate to DRC values is consistent with Department of Health and Social Care guidance.

The residential accommodation properties have been valued at residual value.

In April 2011 a new multi storey car park became operational. This facility has been constructed by a third party on land owned by the Trust and leased to the Third party for a period of 30 years. During that period the car park will be used for car parking by staff and visitors at Gloucestershire Royal Hospital. The Third party operator will receive all income and be responsible for all outgoings with the Trust receiving income when a certain level of receipts are achieved. The car park is accounted for as a service concession under IFRIC 12. The value of its construction was £8.7m which was brought onto the balance sheet at 31st March 2012 as a leased asset offset by deferred income.

A separate note disclosing the GMS balances of PPE is not provided as the balance is immaterial to the Group. The values below are included within the Group plant and machinery above.

	2020/21 £000	2019/20 £000
NBV Brought forward	214	253
Additions	13	0
Depreciation	-46	-39
NBV Carried Forward	**181**	**214**

Note 16 Donations of property, plant and equipment

Additions - donated relate to assets either purchased wholly or items partially funded from the Trust's own charitable funds. The Charitable Funds are administered by the Trust's Main Board as Corporate Trustee. Funds are registered with the Charity Commissioner as registration number 1051606. Additionally from time-to-time, an external charity working closely with the Trust may provide funding directly for a capital project. The Trust received donated medical equipment valued at £506k (2019-20 £1,352k).

Note 17 Revaluations of property, plant and equipment

The value and remaining useful asset lives of land and buildings assets are estimated by the Trust's Independent Valuer. The valuations are carried out in accordance the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

A Modern Equivalent Asset Optimised Alternative site valuation was undertaken as at 1st April 2017 by the Trust's Independent Valuer. The underlying principle is that the valuation of land and buildings should reflect a modern configuration of the estate required for the provision of the same services as already provided by the existing estate. With service delivery requirements evolving, this requires the Trust to consider whether the existing buildings are optimal in terms of number and size. If the Trust were starting with a "clean sheet", the Modern Equivalent Asset aligned to service delivery would be very different to the current layout in terms of buildings configuration and the number of sites.

A desktop valuation, measured on a MEA basis, was undertaken by the Trust's Independent Valuer during February with a valuation date as at as at 31 March 2021.

Note 18 Other investments / financial assets (non-current)

	Trust 2020/21 £000	Group 2020/21 £000	Trust 2019/20 £000	Group 2019/20 £000
Carrying value at 1 April - brought forward	**-**	**1,741**	**-**	**1,954**
Carrying value at 1 April - restated	**-**	**1,741**	**-**	**1,954**
Acquisitions in year	-	581	-	622
Movement in fair value through income and expenditure	-	282	-	(200)
Net impairments	-	5	-	65
Disposals	-	(594)	-	(700)
Carrying value at 31 March	**-**	**2,015**	**-**	**1,741**

Note 18.1 Other investments / financial assets (current)

The Group has no current investments/financial assets (2019/20 nil).

Note 19 Disclosure of interests in other entities

The Trust has no interests in other non-consolidated subsidiaries, joint ventures, associates or unconsolidated entities (2019/20 nil).

Note 20 Analysis of charitable fund reserves

The Gloucestershire Hospitals Charitable Fund has been consolidated within this set of accounts.

	31 March 2021 £000	31 March 2020 £000
Unrestricted funds:		
Unrestricted income funds	5,567	4,315
	5,567	**4,315**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Note 21 Inventories

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Drugs	3,360	3,360	3,682	3,682
Consumables	4,849	5,319	4,783	5,200
Energy	254	254	239	239
Total inventories	**8,463**	**8,933**	**8,704**	**9,121**

Inventories recognised in expenses for the year were £128,089k (2019/20: £114,845k). Write-down of inventories recognised as expenses for the year were £0k (2019/20: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £5,801k of items purchased by DHSC.

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

Note 22.1 Receivables

	Trust 31 March 2021 £000	Group 31 March 2021 £000	Trust 31 March 2020 £000	Group 31 March 2020 £000
Current				
Contract receivables	13,939	11,804	29,718	28,330
Allowance for impaired contract receivables / assets	(1,779)	(2,235)	(1,704)	(1,704)
Prepayments (non-PFI)	3,617	3,793	1,700	2,135
PDC dividend receivable	788	788	349	349
VAT receivable	5,264	3,904	2,110	2,158
NHS charitable funds receivables	-	19	-	259
Total current receivables	**21,829**	**18,073**	**32,173**	**31,527**
Non-current				
Contract receivables	4,801	4,801	4,541	4,541
Other receivables	1,348	1,348	1,348	1,348
Total non-current receivables	**6,149**	**6,149**	**5,889**	**5,889**
Of which receivable from NHS and DHSC group bodies:				
Current	7,832	7,832	20,695	20,695
Non-current	1,348	1,348	1,348	1,348

Note 22.2 Allowances for credit losses - 2020/21

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - brought forward	**1,704**	**-**	**1,704**	**-**
New allowances arising	1,063	-	613	-
Utilisation of allowances (write offs)	(532)	-	(538)	-
Allowances as at 31 Mar 2021	**2,235**	**-**	**1,779**	**-**

Note 22.3 Allowances for credit losses - 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - as previously stated	**1,373**	**-**	**1,373**	**-**
Allowances as at 1 Apr 2019 - restated	**1,373**	**-**	**1,373**	**-**
New allowances arising	417	-	417	-
Utilisation of allowances (write offs)	(86)	-	(86)	-
Allowances as at 31 Mar 2020	**1,704**	**-**	**1,704**	**-**

Note 22.4 Exposure to credit risk

The Trust considers there is currently no material exposure to credit risk , the majority of receivables value is for the NHS contracts, the remaining values are for Road Traffic accidents which has has a Compensation Recovery Unit bad debt percentage notified to the Trust

Note 23 Other assets

Other assets represent Gloucestershire Hospitals 100% holding in its subsidiary company GMS which is a limited company registered within England and Wales. The company is a trading subsidary providing estates, facilities, sterile services and material management.

Note 24.1 Non-current assets held for sale and assets in disposal groups

There are no non-current assets held for sale or assets in the disposal groups.

Note 24.2 Liabilities in disposal groups

The Trust has no liabilities in disposal groups.

Note 25.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2020/21		2019/20	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
At 1 April	**31,502**	**39,783**	**4,836**	**9,846**
Net change in year	44,482	41,168	26,666	29,937
At 31 March	**75,984**	**80,951**	**31,502**	**39,783**
Broken down into:				
Cash at commercial banks and in hand	-	1,232	-	8,275
Cash with the Government Banking Service	75,984	79,719	31,502	31,508
Total cash and cash equivalents as in SoFP	**75,984**	**80,951**	**31,502**	**39,783**

Note 25.2 Third party assets held by the trust

The Trust does not hold any cash or cash equivalents which relate to monies held on behalf of patients or other parties (2019/20 nil)

Note 26.1 Trade and other payables

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Current				
Trade payables	5,902	10,769	11,188	14,478
Capital payables	2,165	2,165	1,992	1,992
Accruals	73,449	65,702	53,988	55,419
Social security costs	8,647	8,970	7,696	7,984
NHS charitable funds: trade and other payables	-	202	-	83
Total current trade and other payables	**90,163**	**87,808**	**74,864**	**79,956**
Non-current	**-**	**-**	**-**	**-**
Total non-current trade and other payables	**-**	**-**	**-**	**-**
Of which payables from NHS and DHSC group bodies:				
Current	7,578	7,177	8461	8,461
Non-current	-	-	-	-

Note 26.2 Early retirements in NHS payables above

The Trust has no liabilities in relation to early retirements (2019/20 nil).

Note 27 Other liabilities

	Trust 31 March 2021 £000	Group 31 March 2021 £000	Trust 31 March 2020 £000	Group 31 March 2020 £000
Current				
Deferred income: contract liabilities	11,520	11,585	3,401	3,401
Total other current liabilities	**11,520**	**11,585**	**3,401**	**3,401**
Non-current				
Deferred income: contract liabilities	6,517	6,517	6,484	6,484
Total other non-current liabilities	**6,517**	**6,517**	**6,484**	**6,484**

Note 28 Borrowings

	Trust 31 March 2021 £000	Group 31 March 2021 £000	Trust 31 March 2020 £000	Group 31 March 2020 £000
Current				
Loans from DHSC	1,732	1,732	130,703	130,703
Obligations under finance leases	1,042	1,042	1,360	1,360
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	630	630	519	519
Total current borrowings	**3,404**	**3,404**	**132,582**	**132,582**
Non-current				
Loans from DHSC	17,362	17,362	19,091	19,091
Obligations under finance leases	3,261	3,261	4,073	4,073
Obligations under PFI, LIFT or other service concession contracts	16,815	16,815	17,445	17,445
Total non-current borrowings	**37,438**	**37,438**	**40,609**	**40,609**

In April 2020 £127m of loans from DHSC were converted into PDC.

Note 28.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2020/21	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2020	**149,794**	**5,433**	**17,964**	**173,191**
Cash movements:				
Financing cash flows - payments and receipts of principal	(130,045)	(1,379)	(519)	**(131,943)**
Financing cash flows - payments of interest	(1,670)	(96)	(1,233)	**(2,999)**
Non-cash movements:				
Additions	-	249	-	**249**
Application of effective interest rate	1,015	96	1,233	**2,344**
Carrying value at 31 March 2021	**19,094**	**4,303**	**17,445**	**40,842**

Group - 2019/20	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	**122,841**	**6,450**	**18,530**	**147,821**
Carrying value at 1 April 2018 - restated	**122,841**	**6,450**	**18,530**	**147,821**
Cash movements:				
Financing cash flows - payments and receipts of principal	26,870	(1,699)	(568)	**24,603**
Financing cash flows - payments of interest	(4,716)	(94)	(1,270)	**(6,080)**
Non-cash movements:				
Additions	-	682	-	**682**
Application of effective interest rate	4,799	94	1,272	**6,165**
Carrying value at 31 March 2020	**149,794**	**5,433**	**17,964**	**173,191**

GMS does not have any liabilities arising from financing activities.

Note 29 Finance leases

Note 29.1 Gloucestershire Hospitals NHS Foundation Trust as a lessor

The Trust does not receive any finance lease income (2019/20 nil).

Note 29.2 Gloucestershire Hospitals NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Gross lease liabilities	**4,455**	**4,455**	**5,640**	**5,640**
of which liabilities are due:				
- not later than one year;	1,087	1,087	1,423	1,423
- later than one year and not later than five years;	2,574	2,574	3,140	3,140
- later than five years.	794	794	1,077	1,077
Finance charges allocated to future periods	(152)	(152)	(207)	(207)
Net lease liabilities	**4,303**	**4,303**	**5,433**	**5,433**
of which payable:				
- not later than one year;	1,042	1,042	1,360	1,360
- later than one year and not later than five years;	2,507	2,507	3,049	3,049
- later than five years.	754	754	1,024	1,024

GMS does not have any finance leases.

Note 30.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**124**	**1,468**	**80**	**1,348**	**3,020**
Change in the discount rate	(5)	(54)	-	-	**(59)**
Arising during the year	31	93	50	10,665	**10,839**
Utilised during the year	(22)	(75)	(64)	-	**(161)**
Reversed unused	(3)	-	-	-	**(3)**
Unwinding of discount	7	73	-	-	**80**
At 31 March 2021	**132**	**1,505**	**66**	**12,013**	**13,716**
Expected timing of cash flows:					
- not later than one year;	17	76	66	10,665	**10,824**
- later than one year and not later than five years;	70	304	-	-	**374**
- later than five years.	45	1,125	-	1,348	**2,518**
Total	**132**	**1,505**	**66**	**12,013**	**13,716**

GMS do not have any provisions

The Pensions provisions relate to payments made to NHS Pensions for staff members who have had to retire early.

The Legal claims provison relates to clinical negligence legal costs where the Trust is liable to pay the excess costs.

Other provisions £1,348k relates to an NHSI requirement to provide for tax charges relating to pensions. This is offset by a long term debtor for the same value.

During the year the Trust has recognised a £10,665k provision in relation to an ongoing HMRC dispute which is expected to be resolved during 2021/22. The Trust have assessed the liklihood of HMRC being successul ast 50% therefore a provision has been recognised.

Note 30.2 Clinical negligence liabilities

At 31 March 2021, £321,167k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Gloucestershire Hospitals NHS Foundation Trust (31 March 2020: £294,537k).

Note 31 Contingent assets and liabilities

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Value of contingent liabilities				
Other	(145)	(145)	(43)	(43)
Gross value of contingent liabilities	**(145)**	**(145)**	**(43)**	**(43)**
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	**(145)**	**(145)**	**(43)**	**(43)**
Net value of contingent assets		**-**		**-**

GMS does not have any contingent Liabilities.

Note 32 Contractual capital commitments

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Property, plant and equipment	12,593	12,593	2,229	2,229
Intangible assets	146	146	1,193	1,193
Total	**12,739**	**12,739**	**3,422**	**3,422**

GMS does not have any capital commitments.

Note 33 Other financial commitments

The Trust has no non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) (2019/20 nil).

Note 34 Defined benefit pension schemes

The Trust's past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Note 35 On-SoFP PFI, LIFT or other service concession arrangements

Note 35.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Gross PFI, LIFT or other service concession liabilities	**26,898**	**26,898**	**28,647**	**28,647**
Of which liabilities are due				
- not later than one year;	1,825	1,825	1,752	1,752
- later than one year and not later than five years;	8,025	8,025	7,536	7,536
- later than five years.	17,048	17,048	19,359	19,359
Finance charges allocated to future periods	(9,453)	(9,453)	(10,683)	(10,683)
Net PFI, LIFT or other service concession arrangement obligation	**17,445**	**17,445**	**17,964**	**17,964**
- not later than one year;	630	630	519	519
- later than one year and not later than five years;	3,749	3,749	3,039	3,039
- later than five years.	13,066	13,066	14,406	14,406

Note 35.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000	31 March 2020 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**82,406**	**82,406**	**87,743**	**87,743**
Of which payments are due:				
- not later than one year;	5,469	5,469	5,336	5,336
- later than one year and not later than five years;	23,278	23,278	22,711	22,711
- later than five years.	53,659	53,659	59,696	59,696

Note 35.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020/21		2019/20	
	Trust £000	Group £000	Trust £000	Group £000
Unitary payment payable to service concession operator	**5,336**	**5,336**	**5,554**	**5,554**
Consisting of:				
- Interest charge	1,233	1,233	1,272	1,272
- Repayment of balance sheet obligation	519	519	568	568
- Service element and other charges to operating expenditure	1,740	1,740	1,656	1,656
- Capital lifecycle maintenance	911	911	825	825
- Contingent rent	933	933	1,233	1,233
Total amount paid to service concession operator	**5,336**	**5,336**	**5,554**	**5,554**

Note 36 Off-SoFP PFI, LIFT and other service concession arrangements

Gloucestershire Hospitals NHS Foundation Trust has no current off-statement of financial position PFI contracts.

Note 37 Financial instruments

Note 37.1 Financial risk management

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

IFRS 7, Financial Instruments Disclosure and Presentation, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Credit Risk

Because of the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups and NHS England and the way those bodies are financed, the NHS Foundation Trust is not exposed to the degree of credit risk faced by many other business entities. The Trust has invoices for services and facilities provided to NHS organisations which are currently being queried by the other parties, notably NHS bodies, within Gloucestershire and Welsh NHS bodies .These are subject to a provision for impaired receivables as set out in note 21.1. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

Market Risk

This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. This includes currency risk (foreign exchange rates) and interest rate risk.

The NHS Foundation Trust has limited powers to borrow or invest surplus funds. Cash is held on deposit with a number of safe harbour institutions which are deemed to have significantly low risk and high liquidity.

100% of the Foundation Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Gloucestershire Hospitals NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk. The Trusts PFI scheme unitary payments are linked to RPI.

Liquidity risk

This is the risk that the NHS Foundation Trust will encounter difficulties meeting obligations associated with financial liabilities.

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds made available from Government under an agreed limit. Gloucestershire Hospitals NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Note 37.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	14,568	-	**14,568**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	77,216	-	**77,216**
Consolidated NHS Charitable fund financial assets	3,754	2,015	**5,769**
Total at 31 March 2021	**95,538**	**2,015**	**97,553**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	32,515	-	**32,515**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	37,385	-	**37,385**
Consolidated NHS Charitable fund financial assets	2,657	1,741	**4,398**
Total at 31 March 2020	**72,557**	**1,741**	**74,298**

Note 37.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	19,098	-	**19,098**
Cash and cash equivalents	75,984	-	**75,984**
Total at 31 March 2021	**95,082**	**-**	**95,082**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	35,608	-	**35,608**
Cash and cash equivalents	31,502	-	**31,502**
Total at 31 March 2020	**67,110**	**-**	**67,110**

Note 37.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	19,094	**19,094**
Obligations under finance leases	4,303	**4,303**
Obligations under PFI, LIFT and other service concessions	17,445	**17,445**
Trade and other payables excluding non financial liabilities	78,290	**78,290**
Consolidated NHS charitable fund financial liabilities	202	**202**
Total at 31 March 2021	**119,334**	**119,334**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	149,794	**149,794**
Obligations under finance leases	5,433	**5,433**
Obligations under PFI, LIFT and other service concessions	17,964	**17,964**
Other borrowings	-	**-**
Trade and other payables excluding non financial liabilities	71,884	**71,884**
Consolidated NHS charitable fund financial liabilities	83	**83**
Total at 31 March 2020	**245,158**	**245,158**

Note 37.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	19,094	**19,094**
Obligations under finance leases	4,303	**4,303**
Obligations under PFI, LIFT and other service concessions	17,445	**17,445**
Trade and other payables excluding non financial liabilities	92,177	**92,177**
Provisions under contract	**133,019**	**133,019**
Total at 31 March 2021		

Carrying values of financial liabilities as at 31 March 2020	amortised £000	book value £000
	149,794	**149,794**
Loans from the Department of Health and Social Care	5,433	**5,433**
Obligations under finance leases	17,964	**17,964**
Other borrowings	67,163	**67,163**
Total at 31 March 2020	**240,354**	**240,354**

Note 37.6 Maturity of financial liabilities

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

	Trust	Group	Trust	Group
	31 March 2021 £000	31 March 2021 £000	31 March 2020 restated* £000	31 March 2020 restated* £000
In one year or less	86,233	84,057	211,922	207,202
In more than one year but not more than five years	20,356	20,356	20,777	20,777
In more than five years	29,980	29,980	34,883	34,883
Total	**136,569**	**134,393**	**267,582**	**262,862**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 38 Losses and special payments

	2020/21		2019/20	
Group	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Bad debts and claims abandoned	1,535	596	441	42
Stores losses and damage to property	-	-	-	-
Total losses	**1,535**	**596**	**441**	**42**
Other comprehensive income				
Special payments				
Ex-gratia payments	48	28	45	20
Total special payments	**48**	**28**	**45**	**20**
Total losses and special payments	**1,583**	**624**	**486**	**62**

GMS did not have any loses or special payments.

Note 39 Gifts

There are no gifts which require disclosure.

Note 40 Related parties

Gloucestershire Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the period, none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Gloucestershire Hospitals NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the period, Gloucestershire Hospitals NHS Foundation Trust, including in carrying out its role of host to the Gloucestershire Finance, Procurement and Estates Shared Services, has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Income	Expenditure	Receivables	Payables
	£000	£000	£000	£000
Gloucestershire Hospitals Subsidiary Company Ltd	1,281	58,424	2,654	17,629
NHS Bath and North East Somerset, Swindon and Wiltshire CCG	2,769	-	-	-
NHS Bristol, North Somerset and South Gloucestershire CCG	767	-	-	-
NHS Gloucestershire CCG	403,134	32	429	65
NHS Herefordshire and Worcestershire CCG	14,334	-	43	-
NHS Oxfordshire CCG	666	-	-	-
NHS England	161,337	141	2,031	104
Public Health England (PHE)	393	232	50	76
Health Education England	13,310	84	606	84
NHS Resolution (formerly NHS Litigation Authority)	-	17,724	-	-
Care Quality Commission	-	353	-	-
Gloucestershire Health and Care NHS Foundation Trust	7,175	6,494	1,807	3,621
Somerset NHS Foundation Trust	-	-	355	-
University Hospitals Bristol and Weston NHS Foundation Trust	-	546	303	571
North Bristol NHS Trust	-	613	273	690
Wye Valley NHS Trust	-	7,908	9	1,093
HM Revenue & Customs - VAT	-	-	3,904	-
HM Revenue & Customs - Other taxes and duties and NI contributions.	-	32,638	-	8,970
NHS Pension Scheme	-	55,079	-	-
Welsh Government	3,840	-	-	-

The Foundation Trust has also received revenue and capital payments from its charitable fund. The Trustees of this fund are also members of the NHS Foundation Trust Board.

Note 42 Prior period adjustments

A prior period adjustment has been made to correct a material misstatement that effected the comparative information.

Other income and operating expenditure has been restated by £32m to remove income/expenditure being incorrectly accounted for on a gross basis where the Trust is considered to be acting as an agent. This has no impact on the previously reported overall financial position.

SOCI	**2019/20 Reported £000**	**PPA Adjustment £000**	**2019/20 Restated £000**
operating Income from patient care activities	515,562		515,562
Other operating income	95,440	-31,994	63,446
Operating expenses	-604,317	31,994	-572,323
Total	6,685	0	6,685

The adjustment made for operating expenses relates to both pay and non pay

	£000
Pay adjustment	31,340
Non Pay adjustment	654
	31,994

Notes 4, 6.1 and 8 have also been restated.

Note 15.1 has been adjusted to write out the gross book value and brought forward depreciation relating to assets over 10 years old with Nil vlaue.

Note 43 Events after the reporting date

The Audit Committee approved these financial statements on 23/06/21.