Bolton
NHS Foundation Trust

Annual Report and Accounts 2019/20

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

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Foreword

It's my great pleasure to introduce our latest Annual Report. It is written for the people of Bolton to demonstrate to them the work we have being doing to create a better Bolton.

We are lucky enough to live and work in a borough rich in talent, diversity and potential but also with significant challenges of deprivation and some poor and declining public health statistics. For the first time in over forty years the people of our borough have a reducing healthy life expectancy. If we are to be truly effective as a trust serving the needs of local people we need to work hand in glove with residents, the community and voluntary sector, Bolton Council and all public bodies to reverse this emerging trend. People are losing years of healthy life and this is one of our top priorities for the future as part of the delivery of our joint Bolton 2030 Vision. Our 2030 Partnership is driven by a strong Bolton Vision Partnership across all sectors including our private sector and we are committed to delivering real social value to our residents.

The last twelve months have been truly outstanding for us. The year 2019-2020 has been one of both high performance and high challenge for the Trust. Whilst remaining the busiest Accident and Emergency Department in Greater Manchester, we have sustained our high performance of previous years resulting in a Care Quality Commission ranking of "GOOD" overall with "OUTSTANDING" leadership. All parts of the organisation acute and community have shown their resilience, fortitude and creativity in maintaining high performance whilst making significant financial savings and efficiencies.

It was a great personal honour at the start of 2019 to be appointed as Chair of one of the best performing NHS Trusts in the UK especially as Bolton is my home town. It matters to me that this organisation has saved my life and that of my children and other family members. It's my town, my Trust. I have been very warmly welcomed by our hardworking staff, governors and members of our Trust Board.

In the last twelve months we said goodbye to David Wakefield, my predecessor, Doctor Jackie Bene, our former Chief Executive and Trish Armstrong Child, our Director of Nursing - all of whom provided the excellent leadership along with our amazing staff, that transformed the Trust into one of the best in the UK.

We warmly welcomed Fiona Noden as our new Chief Executive in April 2020 – Fiona was previously the Chief Operating Officer and Deputy CEO at The Christie, Manchester and we wish her all the very best in her new role leading our team of experienced executives in her home town of Bolton.

The year has ended for us with one of the greatest challenges of a generation: a global pandemic Covid 19 which has impacted upon all NHS organisations and public services generally as well as on our local communities. We have lost many of our patients to the virus and tragically our own staff.

Next year's annual report will describe a very different organisation and perhaps a very different Bolton as the post-Covid world takes shape. Many national commentators have said we can't go back to normal as normal wasn't working - we need to make a new normal. We will make sure we play our part as the largest anchor institution in our town in the reshaping of public services

During the last year we have spent time developing our new five year strategy "For a Better Bolton". It is quite a significant departure from the standard NHS Trust plan. This is a bold

whole system, person-centred plan for Bolton. Rather than just focussing on our own organisation, we describe a new integrated public service model based on local neighbourhoods where the best quality care and support is wrapped around individuals and families in a seamless and co-ordinated experience.

The importance of public services working together in local towns and neighbourhoods to share intelligence with each other and support the most vulnerable in our communities has been brought to the fore as being increasingly important during the Corona Virus Pandemic. Our town, our public services, our volunteers and most importantly the people of our town have pulled together in a remarkable way. If we are to truly achieve a better Bolton we need to build on this reinforced sense of connected communities. It's what we are brilliant at in Bolton!

The vast majority of our 6,000 staff live in Bolton and are a critical part of the delivery of the Bolton 2030 Vision. As a key anchor institution and the largest employer in Bolton we are committed to delivering our Bolton Family Social Value commitment. We are dedicated to being the best employer we can be and this is borne out in our latest annual staff survey feedback provided anonymously by our brilliant staff. We are very pleased as a Trust Board to have the happiest and most engaged staff in Greater Manchester; despite the pressures of their busy jobs our staff come to work each day with a smile to do the best that they possibly can for a better Bolton. For most of our staff, it's their Trust, their family, their town.

One of the real highlights of the year was a visit from Baroness Dido Harding, Chair of NHS Improvement who we were delighted to welcome to open our brand new Urology Unit. Dido was really impressed with our state of the art facility and it was the first time she had been asked to open a facility. Our new unit is now up and running and meeting the needs of all our Bolton people and beyond as we treat people from our surrounding areas who need specialist treatment.

Our future plans include the development of "health & care village" on our site in Farnworth. We are lucky enough to occupy a very large site and are developing some exciting plans with our partners in the Council and Greater Manchester Combined Authority to integrate and co-ordinate our services. Watch this space!

We are also very proud to have achieved a small financial surplus this year despite the very challenging targets we have been set based on our success in achieving our financial savings targets in previous years. This has been down to the energy, creativity and hard work of the entire organisation focussing on new and imaginative ways to save money whilst maintaining or enhancing the quality of service we provide to our people - whether in hospital or in our community services rooted in neighbourhoods.

To conclude, I would like to thank you for taking the time to read our Annual Report to the people of Bolton at a time of great change. We are here to serve you and we are grateful for your on-going support; for clapping every week for our dedicated and hardworking staff, for donating to our charity, for becoming a member or a governor and for respecting our precious services and using them only when you need them. Thank you.

Professor Donna Hall CBE

Chair Bolton NHS Foundation Trust

Performance Overview

Chief Executive Statement

When I interviewed for and was appointed to the position of Chief Executive in December 2019, I did not anticipate joining Bolton NHSFT during the biggest pandemic since the inception of the NHS. With this in mind, NHSI amended the Annual Report guidance for 2019/20 to reduce the administrative burden on trusts. We have followed the revised guidance in producing this report and I can confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable, providing the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy.

Preparation of Accounts and adoption of going concern

The annual report and accounts have been prepared in accordance with the direction issued by NHSI under the National Health Service Act 2006.

This report is intended to be self-standing and comprehensive in its scope. However where further information is available, this will be cross-referenced within the report.

For regular updates on our performance and any matters affecting the Trust please refer to our website www.boltonft.nhs.uk

Going concern

After review, the directors have a reasonable expectation that Bolton NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

This judgement was based on the following factors:

Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust Board has taken assurances throughout the year through the Finance and Investment Committee that plans are robust and deliverable.

In 2020/21, in response to the Covid-19 pandemic, all detailed financial planning was suspended. In addition, the requirement for Trusts to agree contracts with its commissioners was removed. Instead, Trusts are receiving regular monthly 'block' payments together with top-up payments designed to ensure that there are sufficient funds available to adequately deal with the crisis. Currently the Trust is unclear what form of contracting and payment mechanism will replace this approach, which is currently confirmed only until the end of July 2020.

DHSC has confirmed that temporary revenue support arrangements will continue, in order to support providers with demonstrable cash needs. At the point when contracting was abandoned for 2020-21 the Trust was forecasting a deficit for 2020-21. This forecast includes receipt of capital investment loans to support capital plans, but no additional working capital or revenue support as the Trust considered at the time of contracting was abandoned that it has sufficient cash balances to meet liabilities as they fall due for the foreseeable future. Current updated forecasts show that this is likely to continue to be the case, although it is not clear what alternative assumption should be considered most likely.

Providers have been told by DHSC to continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS

services will continue to be funded, and government funding is in place for this. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

In making their assessment, the Directors have considered the impact of Covid-19 on the Trust's future financial and operational sustainability and have not identified any events or conditions which would cast doubt over this going concern assumption.

History and Statutory Background

Bolton NHS Foundation Trust is an integrated care organisation providing care and support in the community at over 20 health centres and clinics as well as services such as district nursing and health visiting. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

We were authorised as a foundation trust in October 2008 and became an integrated care organisation in July 2011 following the transfer of services from the provider arm of NHS Bolton.

We have a wholly owned subsidiary Integrated Facilities Management Bolton (iFM Bolton - company number 10278178) which was formally established in July 2016 and became operational on 1st January 2017. iFM Bolton provide a full range of estates and facilities services to the Trust including cleaning and portering services that were previously provided by a private subsidiary.

Purpose and activities

We are an integrated care organisation providing care and support in health centres and clinics, including the prestigious Bolton One complex in the town centre, as well as domiciliary and ill-health prevention services. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

Our vision is to be an excellent integrated care provider within Bolton and beyond delivering patient centred, efficient and safe service.

We believe in:

High quality care centred on individual needs rather than the needs of professionals and organisations.

- Integration across health and social care.
- Accessible, convenient and responsive services 24/7.
- Local wherever possible, centralised where necessary.
- Empowering clients and patients to manage their own care and self-care with information.

Fiona Noden

Chief Executive Bolton NHS FT 23 June 2020

Performance Overview

Summary of Performance in 2019/20

2019/20 has been a really tough year with challenges to NHS funding and workforce shortages and exceptional levels of demands on our services throughout the year.

We have experienced significant pressure on both the urgent care system and the organisation as a whole, with prolonged increased attendances in A&E, including spikes in specific conditions such as respiratory issues in children.

Our organisation's planning is helping to address these pressures, for example, the continued investment in community services is having a positive effect including the work of the Admission Avoidance and Home First teams. Additional improvements to the layout of the Emergency Department have improved the way patients are streamed on arrival, and provide the frailty and ambulatory care teams with greater space and resources to deliver care outside of the department.

More recently the global coronavirus pandemic has shown us many things about society, healthcare and ourselves. This has shown that even in the most extreme and sometimes frightening of situations our organisation and the staff within it have risen to the challenge, going above and beyond and sometimes even completely changing their usual "day" job to provide the best possible care for our patients.

However, considering the challenges we have and continue to face, there have also been so many achievements in 2019/20.

In September we launched our new five year strategy which describes how we will provide excellent health and care at our hospital, health centres and community clinics; and be a great place to work. Our new strategy is centred around delivering services and organising ourselves to contribute towards making Bolton better – recognising that to continue to do this we will have to deliver some big transformational changes. We have six big ambitions which are summarised simply:

- To give every person the best treatment, every time
- To be a great place to work
- To spend our money wisely
- To make our hospital and our buildings fit for the future
- To join-up services to improve the health of the people of Bolton
- To develop partnerships across Greater Manchester to improve services

We look forward to providing a more detailed update on our progress to realise these ambitions in our next report to you

With our strategy in mind, we took our first steps towards the development of the Bolton College of Medical Sciences. The granting of the planning permission is a major milestone for the new College, which will train a new generation of health and social care professionals. The college is understood to be the first of its kind in the UK, due to its new model of partnership, with the University of Bolton Group, Bolton Council and Bolton NHS Foundation Trust. Once open it will provide a unique teaching and learning environment and combination of training provision across disciplines, professions and agencies and will give people a direct route into health and social care employment, and provide unrivalled training opportunities for existing hospital staff to up skill and further their careers.

In October, after years of planning our Electronic Patient Record system went live. This was an immense effort by all staff involved and the culmination of a successful project led by

Performance Overview

Informatics. The £30m investment will enable the transformation of many operating practices for staff and be an enabler of enhanced patient safety and timelier patient treatment.

October also saw the launch our new service for children and young people, celebrating a new approach to integrated working to improve youngsters' physical health and emotional wellbeing.

2019/20 year in numbers

124,358 A&E attendances
29,371 arrived by ambulance

£325million operating expenses

16,256 patients had an operation

399,144 outpatient attendances

NHS Bolton NHS Foundation Trust

5986 staff

5,932 babies born including **27** sets of twins and **2** sets of triplets

626,317 community contacts

83,950 inpatient spells

Patient care

We want patients to receive the best possible care and treatment from our Trust, and we are committed to improving the experiences of our patients and their families whenever they access our services

We aim to provide safe and effective healthcare to our community. Feedback, both positive and negative, helps us improve the quality of our care. Throughout the year our Patient Advice and Liaison Service (PALS) support people by offering impartial advice and assistance to patients, their relatives, friends and carers through listening to feedback, answering questions and helping to resolve concerns about our services. The common areas of feedback were around clinical treatment (delay or failure of treatment; delay or failure in diagnosis), patient care and communication. We take feedback seriously and learning from these complaints will help us improve our services for the future

Friends and Family Test feedback shows that we continue to maintain consistently high levels of satisfaction - demonstrated in both the recommendations scores, as well as the comments we receive. The Friends and Family Test asks patients how likely they are to recommend the services they have used, and what improvements they feel we could make.

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Performance metrics

Our Quality Account which will be published later in the year will include a more detailed analysis of our performance during 2019/20. A detailed performance dashboard is published each month providing the latest position against a suite of measures, these include our compliance with targets in the NHS constitution , metrics that provide assurance with regard to the quality of care we provide and metrics associated with our staff including sickness absence rates and training rates (see staff section of this report)

Indicator	Apr 19-Mar 20	Target		Apr 18 - Mar 19	Apr 17 - Mar 18
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway (average for the year)	76.7%	92%		89.0%	88.3%
A&E: Maximum waiting time of four from arrival to admission, transfer or discharge (average for the year)	79.0%	95%		84.6%	81.9%
All cancers: 62-day wait for first treatment from:					
• Urgent GP referral for suspected cancer - (Apr 19 – Feb 20)	85.4%	85%		90.1%	94.8%
• NHS Cancer Screening Service referral (Apr 19 – Feb 20	84.8%	90%		85.4%	87.5%
Clostridium difficile - meeting the C. difficile objective	38	19		20	30
Maximum 6 week wait for diagnostic procedures *Definition – proportion of patients referred for diagnostic tests who have been waiting less than 6 weeks* *(lower than usual due to Covid-19)	93.4%*	99%		99.4%	97.7%

	Indicator/Measure	2019/20	2018/19	2017/18
Patient Safety Outcomes	Pressure ulcers by category: • Cat 2 • Cat 3 • Cat 4 *Data source – Bolton NHS Foundation Trust's incident reporting system*	 158 42 6	 166 67 13	 164 57 13
Patient Experience	Friends and Family Test inpatients • response rates • Recommendation rates *Data source – captured locally, submitted nationally and published by NHS England*	 26.6% 96.9%	 31.5% 96.5%	 34.0% 96.8%
	Dementia Training* ** HEE Tier 1 Dementia Awareness* *Data source – captured via local training and development system (Moodle and ESR)*	91.04%	89.7%	100%

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Financial Overview

The Annual Accounts included within this report provide the detailed breakdown of our financial performance in 2019/20.

We ended the year with a surplus of £537k compared to our target of £9.663m. We had a year-end cash balance of £17.0m, a decrease of £2.1m from the previous year. Although we did not achieve the level of surplus we set out to, this still represents a strong performance given the financial challenges that we continued to face. This is our sixth successive year of surpluses and something to be proud of. During the year, we worked hard to control our costs where possible, saving a total of £9.3m. We achieved this by reducing the amount we spend on agency staffing and negotiating better rates on the goods and services.

We spent £12.0m on capital schemes including an Electronic Patient Record; new mammography and x-ray equipment; LED lighting; redevelopment of our ophthalmology clinics; and replacement anaesthetic machines.

Whilst we did achieve a surplus in 2019/20, we still have an underlying deficit moving into the next financial year. This is because we expect to receive less income than the cost of our services based on our financial projections. Our aim is to continue to use our resources wisely and maintain our financial sustainability. We will continue to work to achieve our aims and refine our financial plans as we move through 2020/21 and the challenges of the Covid-19 pandemic.

Principal Risks

The Board of Directors has ultimate responsibility for the effective risk management of the Trust's strategic objectives. We have an established risk management process to identify the principal risks that we face. This process relies on our judgement of the risk likelihood and impact and also developing and monitoring appropriate controls. The Board Assurance Framework is used to monitor the key risks to the achievement of our strategic objectives, and ensure appropriate mitigating actions are implemented.

The Board of Directors has considered and approved the risk management strategy. The Audit Committee receives regular reports from management and internal and external auditors, detailing the risks that are relevant to our activity, the effectiveness of our internal controls in dealing with these risks and any required remedial actions along with an update on their implementation.

The Audit Committee reports to the Board of Directors on the effectiveness of the risk management process, ensuring any issues raised in internal audit reports are escalated for action and if necessary further assurance. The day-to-day risk management is the responsibility of senior management as part of their everyday business processes.

Further detail on the governance processes supporting our risk management can be found in our Annual Governance Statement on page 60 of this report.

The following table sets out our key risks, and examples of relevant controls and mitigating factors. The Board of Directors considers these to be the most significant risks that may impact the achievement of our objectives. They do not comprise all of the risks associated with the Trust and are not set out in priority order.

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Principal Risks 2019/20

The risks below reflect the risks to the achievement of our strategic objectives as recorded within the Board Assurance Framework (BAF)

Risk	Controls and mitigation
Urgent care pressures and increased demand on diagnostic and elective work	• Urgent care programme plan overseen by the Urgent Care Programme Board • During 2019/20 we continued to invest to increase Continued engagement with the CCG and the local authority to develop a shared solution through the Bolton Locality Plan • Cancer and elective care capacity and demand management
A failure to provide a timely and appropriate response to the deteriorating patient may lead to an adverse impact on mortality and length of stay	• Root cause analysis and incident reporting. • Year on year reduction in avoidable cardiac arrests • Educational initiatives for all staff on first responder rota • PatientTrack electronic call system implemented and will be used to audit response
Failure to meet minimum staffing levels because of vacancies and sickness could compromise patient safety and experience	• Continued programme of recruitment • Recruitment of additional health care assistants to provide support. • Actions to reduce staff sickness absence • Temporary staffing solutions used to ensure safe staffing levels in clinical areas. Further information in the staffing section
Failure to deliver the financial plan could reduce the funds available for investment in the Trust and could ultimately result in regulatory intervention. Delivery of Cost Improvement Plans increasingly challenging	• Financial performance overseen by the Finance and Investment Committee with regular reports to the Board. • Weekly PMO and ICIP escalation meetings • Transformation Board • Use of benchmarking data including Model Hospital
Old estate with significant backlog maintenance and previous lack of capital investment	• Working with partners through the Strategic Estates Board to develop a detailed Estates Strategy
Covid-19 pandemic may impact on capacity to deliver services and may pose risks to staff and patients. Services will change to meet guidance on social distancing	• Covid command and control structure to oversee tactical approach to management of the on-going pandemic • Reset group to oversee strategic response to system reset

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Strategy

In the spring of 2019, staff, patients, the public, and partners across Bolton were invited to engage in the development of our 2019-24 strategy. The process was a reminder of just how collaborative and innovative our people are, and how committed our locality is to delivering the highest quality services and making the utmost contribution to the community.

Our strategy sets out our ambitions and what we will do to achieve them. While in places it is necessarily radical and innovative, it has compassion and care for the people of Bolton at its heart. Crucially, it also describes the values and behaviours that are expected of us all.

Our five-year Strategy describes our vision for the future – to be recognised as an excellent provider of health and care services, and a great place to work. It also sets out the things we need to do to make that vision a reality for a better Bolton and describes what we hope that future will look like.

We have six big ambitions that describe what we will do over the next five years and while the recent pandemic may have changed some of what we do and how we deliver services to the people of Bolton our purpose remains to deliver care of the quality we would want for ourselves, our families and our friends.

Accountability Report

The following accountability report element of the annual report comprises:

- Directors' report
- Remuneration report
- Staff report
- the disclosures set out in the NHS Foundation Trust Code of Governance
- NHS Oversight Framework
- Statement of accounting officer's responsibilities and
- Annual Governance Statement.

In my capacity as Accounting Officer I can confirm that to the best of my knowledge the report is an accurate reflection of the Trust's business in 2019/20.

Fiona Noden

Chief Executive

23 June 2020

Our Board of Directors

Our Directors

Donna Hall – Chair April appointed April 2019 -

Donna Hall CBE has more than 26 years' experience working at senior management level and 15 years as a Chief Executive in local government, working as the CEO of Chorley Council before taking up the top role as Chief Executive of Wigan Council and Accountable Officer of Wigan Clinical Commissioning Group. She knows the health and care landscape very well.

She played a leading role with Sir Howard Bernstein in shaping the devolution of health and social care and the subsequent Taking Charge strategy for Greater Manchester and has led for the past five years on Public Service Reform in Greater Manchester as the lead Chief Executive supporting Greater Manchester Mayor Andy Burnham

Executive Directors

Fiona Noden – Chief Executive Officer

Fiona was appointed Chief Executive in April 2020. Fiona started her career in healthcare as a Radiographer and has extensive clinical and management experience in operational management, project management, organisational strategy development and deployment. She moved from Clinical Radiology into operational management in 2006 as the Divisional Director of Operations at Salford Royal. She then went on to become the Director of Operations & Performance at Wrightington, Wigan & Leigh, and before joining Bolton, she spent almost five years as the Chief Operating Officer at The Christie.

Fiona is determined to bring out the best in herself and others through promoting high standards, developing staff and motivating the team to achieve continuous improvements in patient care. She upholds strong personal and organisational values believing these to be pivotal in establishing relationships across both large multi-disciplinary teams, and across organisations.

Her priorities are her dedication to delivering continuous improvements to provide patient and user-centred services and providing an inclusive environment for staff to flourish

Andy Ennis - Chief Operating Officer

Andy started his working life as a nurse, specialising in paediatrics and specifically intensive care. After various roles in nursing including Charge Nurse of B1 Children's Ward at Bolton Royal he moved into operational management of services gaining experience in several other North West Trusts before returning to Bolton as Chief Operating Officer.

Andy's primary role on the Board is to ensure the Trust delivers operational targets such as waiting times and that the infrastructure (Estates and IT) is fit for purpose.

Annette Walker – Director of Finance

Annette was appointed as Director of Finance in 2017.

Annette has worked in the NHS since 1993 after graduating from Liverpool University with a degree in economics. She started her NHS career as a finance trainee and qualified as a chartered public finance accountant in 1997. She has held various NHS finance roles within Greater Manchester and Lancashire and has worked in Bolton since 2008, having been the Director of Finance of Bolton PCT and latterly the Chief Finance officer of Bolton Clinical Commissioning Group

James Mawrey – Director of Workforce

James was appointed as Director of Workforce in February 2018

James has worked in the NHS since 2000 after graduating from Strathclyde Business School with a Master's degree in Business & Management. James is a qualified member of the Chartered Institute of Personal & Development and has held Senior HR roles in North Wales, Cheshire & Merseyside and on the Greater Manchester footprint. James has a passion for developing people and teams and provides Executive leadership for Workforce & Organisational Development.

Francis Andrews – Medical Director

Francis commenced in post as Medical Director at Bolton NHS Foundation Trust in August 2018.

Francis graduated from Leeds University in 1990 and after junior doctor rotations and further training in emergency medicine and intensive care medicine; he worked as a consultant in critical care and emergency medicine at St Helens & Knowsley Teaching Hospitals NHS Trust as well as being appointed as their Assistant Medical Director.

He is passionate about developing and promoting clinical leadership to enhance patient care and is a strong advocate for working with patients on care pathways, organ donation, information technology and human factors as applied to patient safety

Sharon Martin – Director of Strategic Transformation

Sharon has worked in the NHS for over 30 years. She started her career as a student nurse at Bolton Hospitals NHS Trust and went on to hold a number of clinical posts in the Trust.

Prior to returning to Bolton, Sharon was the Deputy Chief Officer for Bury Clinical Commissioning Group and the Director of Performance and Delivery for East Lancashire Clinical Commissioning Group where she was responsible for the commissioning of healthcare across all providers.

Sharon is committed to ensuring that the experience of patients and staff are central to the development of the Trusts Strategy and Transformation plans.

Marie Forshaw – Director of Nursing (interim appointment November 2019

Marie joined Bolton NHS Foundation Trust in February 2016 as Deputy Director of Nursing, Midwifery and Allied Health Professionals to provide professional leadership to over 3,500 nurses, midwives and allied health professionals working in both hospital and community settings. Her role also leads on providing assurance of the quality and delivery of safe care.

Marie is a trained Registered General Nurse, trained Registered Midwife and trained Registered Health Visitor. She also has a Masters in General Management. She is passionate about protecting and enhancing patient experience and was instrumental in developing and implementing ABC – Bolton's framework for professional practice for nursing, midwifery and AHP employees – which puts patient care at its very heart.

The Directors below ended their term of office during 2019/20

Trish Armstrong-Child - Director of Nursing/Deputy CEO May 2013 – November 2019

Trish is a Registered General Nurse who has worked within the NHS since 1989. She has a vast wealth of experience within both nursing and operational management roles and has Executive leadership and professional responsibility for quality and patient safety. Her focus and primary aim is to ensure that excellent standards of care are received by patients and their carers and that they have a positive experience of care both within hospital and community settings, including care at home.

Dr Jackie Bene - Chief Executive June 2013 – March 2020

Jackie was appointed to the Board as Medical Director in 2008 having worked at the Trust as a Consultant Physician as well as holding a number of clinical lead roles since 1998. She took up the role of Acting CEO in June 2013 and was appointed substantively to the role in January 2014. Her priorities throughout her career have been quality improvement and patient safety but she has recently led on the governance and strategic agendas for the Trust. Jackie still undertakes clinical practice for one session per week in Acute Medicine which she values enormously in keeping her close to our patient and staff experience.

Non-Executive Directors

Andrew Thornton – Vice Chair

Andrew joined the Board as an interim Non-Executive in August 2014 and was reappointed in August 2017. Andrew Initially started his career in the health service as a podiatrist and has remained within health and social care serving in a variety of senior leadership posts within both the public and private sector.

Andrew has a strong ethos of quality in all aspects of service delivery and brings his experience of developing clinical and operational improvements to the Trust. Andrew uses this experience and ethos to Chair the Trust's Quality Assurance Committee.

Jackie Njoroge – Chair of Audit Committee appointed September 2016.

Jackie describes herself as a data geek and is therefore ideally suited to her role with us as Chair of our Audit Committee. She manages this alongside her full time role as Director of Strategy at Salford University. Jackie started her career in finance on a national graduate traineeship with British Steel; she spent seven years working in finance in the steel industry before moving to the education sector, initially in the North East and more recently in Manchester and Salford.

Bilkis Ismail – appointed September 2017

Bilkis is dual qualified as a barrister and chartered tax adviser with experience of working in the private sector (both nationally and internationally), central government and local government.

Bilkis is keen to use her professional legal and tax experience combined with her commercial awareness and strategic business planning for the benefit of the Trust.

Bilkis is a Councillor for the Crompton ward of Bolton she is also a community governor at Valley Community School and a governor of Bolton Sixth Form College.

Martin North – appointed June 2018

Martin is an accomplished senior executive with experience operating at Board level in a variety of roles in several complex, regulated organisations within the telecommunications and IT sector. He has an established track record of leading organisational and digital transformational change that has delivered outstanding performance and turnaround.

Martin is keen to bring his experience of technology transformation and operational leadership for the benefit of the trust.

Malcolm Brown – appointed September 2018

Malcolm is a qualified GP and completed his training at Bolton General Hospital and was a partner at a GP Practice in Westhoughton for over 30 years until 2017. He has also been a GP endoscopist for 18 years and Medical Officer at St Ann's Hospice in Little Hulton for 25 years.

Malcolm has always had an interest in medical education and after being a GP educator, he became GP Programme Director for Bolton. He was also the Director of Medical Education here at the Trust for ten years after which he became the Associate Dean for the NW Deanery (now Health Education England North West).

Alan Stuttard – appointed January 2019

Alan joined the NHS Financial Management Scheme in 1975 and qualified as a Member of the Chartered Institute of Public Finance and Accountancy (CIPFA) in 1980. The majority of his working career has been in the NHS although he also has experience of working in local government and the private sector.

Alan has been a Board Director for over 25 years, mainly as a Finance Director, which has included the Countess of Chester Hospital , Preston Acute Hospitals and Lancashire Teaching Hospitals NHS Trust. Most recently he was the Finance Director and Deputy Chief Executive of the North West Ambulance Service NHS Trust.

Rebecca Ganz – appointed to the FT board January 2020 (member of the iFM Board since April 2019

Rebecca (aka Becks) is Chair of the Trust's wholly owned subsidiary - Integrated Facilities Management Bolton Ltd - and a Non-Executive of the Trust. Becks' background is from the commercial arena with specialisms in strategy, mergers & acquisitions and governance working across a range of client organisations from the education, health & wellness and technology sectors. She is also a Chartered Accountant, which helps when evaluating opportunities for both efficiency and new revenue streams, hence the Trust appointed Becks to Chair the recently formed Commercial Development Group. Becks is a portfolio Non-Executive as well as an Entrepreneur coach, and as such offers a compelling blend of disruptive, entrepreneurial know-how with best practice corporate governance.

Disclosures

Statement of register of interests

The Trust Secretary maintains a register of other significant interests held by Directors and Governors which may conflict with their responsibilities. The register is available on our website within the declarations section (updated every six months); access to the register can also be obtained on request from the Trust Secretary.

Political donations

The Trust does not make any political donations and has no political allegiance

Overseas Operations

The Trust does not have any overseas operations

Pension disclosure

The accounting policies for pensions and other retirement benefits are set out in note 1.9 to the accounts and details of senior employees' remuneration can be found in the remuneration report on page 39.

Income disclosure required by section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

The Trust meets the requirement for income from the provision of goods and services for the purposes of the Health Service in England to be greater than its income from the provision of goods and services for any other purposes.

The small amount of other income received by the Trust helps support the provision of NHS care. The Trust will continue to meet the requirement for its prime business to be the provision of goods and services for the purpose of the health service in England

The income from car parking is £1,553k and the costs associated with this income is £1,553k

Better payment practice code

The Trust is expected to pay 95% of all creditor invoices within 30 days of goods being received or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. The table below shows performance against this target in 2018/19 and 2019/20.

No interest was paid under the late payment of commercial debts act

	Year ended 31 March 2020		Year ended 31 March 2019	
	Number	£'000	Number	£'000
Total non-NHS trade invoices paid within the target	56,680	129,192	56,220	124,619
Total non-NHS trade invoices paid in the period	63,102	145,034	63,990	138,614
Percentage of non-NHS trade invoices paid within the target	89.82%	89..08%	87.86%	89.90%
Total NHS trade invoices paid within the target	1,626	18,027	1,479	20,589
Total NHS trade invoices paid in the period	2,645	28,740	2,421	33,306
Percentage of NHS trade invoices paid within the target	61.47%	62.72%	61.09%	61.82%

Statement of Emergency Preparedness Resilience and Response (EPRR) Performance:

The Trust continues meet its statutory commitment to emergency preparedness resilience and response. (EPRR) and in 2019/20 achieved SUBSTANTIAL compliance level in the annual NHS England EPRR Core Standards.

The EPRR department demonstrates continued co-operation and liaison with partner organisations across Greater Manchester. We work closely with the Ambulance Service to provide Decision Loggist training to all disciplines across Greater Manchester and delivered two Multi Agency Civil Contingency courses open to all responders.

We activated business continuity arrangements to maintain patient care during the recent and on-going Covid-19 pandemic.

In addition to attendance at all multi-agency forums the EPRR department also maintains an annual work plan of testing and exercising. This involves the delivery of training that ranges from individual and local departmental sessions to larger multi-agency events

Over the last 12 months training efforts have been prioritised in two key areas:

To provide additional assurance in the event of a ward evacuation a table-top style evacuation exercise was undertaken across all in-patient ward areas and action cards produced for staff to use as a response to this, additional emergency equipment and supplies have been made available.

Learning from incidents, output from EPRR training, testing and exercising and national guidance is constantly reviewed and used to inform, update and improve future trust response.

Statement as to disclosure to Auditors

Each of the Directors at the date of approval of this report confirms that:

So far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's Auditor is unaware; and

The Directors have taken all 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 NHS Foundation Trust's auditor is aware of that information.

Statement of accounts preparation

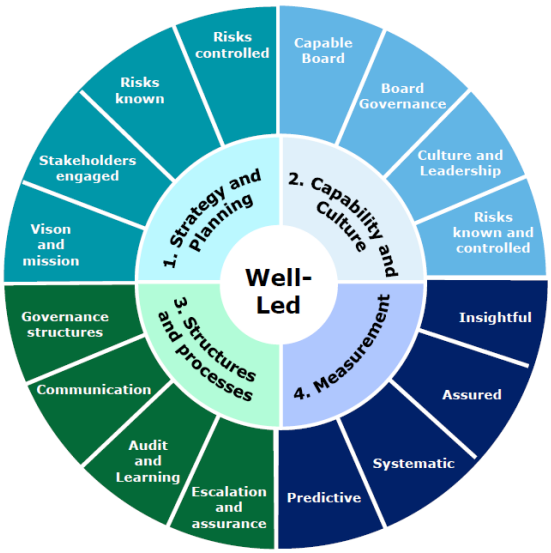
The accounts have been prepared under direction issued by Monitor, the independent regulator for Foundation Trusts, as required by paragraphs 24 and 25 of Schedule 7 to the National Health Service Act and in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

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

Providing Well Led Services

In January 2017, we commissioned an external review using the "Well Led" Framework; this assessment covers the categories identified in the Quality Governance Framework. Deloitte LLP conducted the review – a summary of their findings is provided below.

It is recognised as good practice to undertake regular external review of board effectiveness/governance at least once every three years – given recent changes in leadership we agreed to defer our scheduled review. We are now planning to commission a review in the second half of 2020/21.



In 2017 the CQC updated their methodology and introduced an annual Well Led review which alongside the Use of Resources review undertaken by NHSI include all aspects of the Quality Governance Framework.

The CQC undertook a "Well Led Review" in January 2019 and issued a rating of **outstanding** based on the following findings

Strategy

- There was a clear vision for the future within the Vision Partnership which had been developed through regular engagement with external stakeholders and commissioners.
- The vision and values were driven by quality, safety and sustainability in a changing landscape and was being translated into a credible strategy. There were clear intentions to involve the trust staff in the development.
- Strategic objectives filtered through the organisation and could be seen connected to staff appraisals which had been completed to a high level.
- Staff understood the direction of travel of the organisation although the structured planning process was still underway.

Culture

- The leadership team actively shaped the culture of the organisation. The culture was open, encouraging and enabling. There was a culture of collective responsibility for patient safety throughout the organisation which was palpable. There was also a level of humility also demonstrated which masked the outstanding areas of practice as they were thought of as just doing the best for the people of Bolton.
- There was a cohesive and competent leadership team who were knowledgeable about quality issues and priorities. They had appropriate skills and experience and there were succession plans throughout the organisation.
- Candour, openness, honesty and transparency were the norm.
- Active engagement with staff was being strengthened as it had been recognised and the trust was clear on their priorities when it came to driving improvement for black and minority ethnic staff through the workforce race equality standard.

Measurement

- There was an effective and comprehensive system in place to identify, understand, monitor and address current and future risks. Performance issues were escalated appropriately. Clinical and internal audit processes functioned well and had a positive impact in relation to quality governance.
- There was a good history of financial management.

Structures and Processes

- The board and other levels of governance functioned effectively, and interactions ensured quality and performance were addressed in harmony.
- The trust had instigated investment in the information technology within the organisation. They had a structured plan to develop further the infrastructure. Information utilised for assurance was accurate, reliable, timely and credible.
- Service improvements were driven by clinicians and actively encouraged. The ward accreditation scheme was also driving improvement through healthy competition, innovation and ambition.

Further information on the governance structure that supports the organisation can be found in our Annual Governance Statement on page 60

Stakeholder Relations

The NHS organisations and Local Authorities in Greater Manchester have integrated plans to improving the health and wellbeing of our populations by:

- Helping people to better manage their own health
- Providing more joined-up care near where people live
- Working together, across hospitals and practices, to share skills and specialist treatment
- Doing things more efficiently and to the same high standards across all boroughs

The Greater Manchester Health and Social Care Partnership's five-year strategic plan – *Taking Charge of our Health and Social Care in Greater Manchester* – is built up from individual locality plans developed by the 10 local authorities and NHS organisations across the city region.

Taking Charge outlines five key themes of work:

- Theme 1, population health prevention;
- Theme 2, transforming community based care and support;
- Theme 3, integrating specialist care;
- Theme 4, standardising clinical support and back office services
- Theme 5, enabling better care.

Greater Manchester Integrating Specialist Care Programme is the creation of single shared specialist services to deliver improvements in patient outcomes and productivity. The programme is overseen by an Executive made up from partners across GM and representatives from Bolton have been fully engaged at this executive level and in the clinical working groups that report up to it.

Bolton FT work with other Trusts in the North West Sector of Manchester and in particular with Wrightington, Wigan and Leigh NHSFT with whom we have close collaborative links in order to improve the resilience of the workforce and therefore sustain services for local people.

Involvement in local initiatives

In addition to working with other hospitals in the North West sector of Greater Manchester, we are also working with colleagues in primary care, the CCG and social care to ensure we deliver the best possible services for the future health of the people of Bolton. Locally we have a strong partnership between Bolton Council, NHS Bolton Clinical Commissioning Group, and Bolton NHS Foundation Trust with other providers and the voluntary sector and we set out our response to the Greater Manchester Plan and shared view of the future for Bolton in the Bolton Locality Plan www.boltonccg.nhs.uk/media/3027/bolton-locality-plan.pdf

Consultation with local groups and organisations

We are members of the Bolton Partnership Board which oversees the development of our system wide plans to deliver the Bolton Locality Plan. We also work with HealthWatch and the Overview and Scrutiny Committee to share our plans for future services and to provide updates on challenges facing the Trust and the wider health economy.

Our CEO has also been the Senior Responsible Officer for establishing the Bolton Integrated Care Partnership

Public and patient involvement activities

As a Foundation Trust with public members, part of our public and patient involvement is through our membership. We recognise the importance of involving our patients and the wider public in the development of services and we have undertaken a significant amount public and Patient engagement through a number of forums. Some examples are outlined below:

- Detailed sessions with the trust Governors on the proposed vision and ambitions for our strategy
- A staff-facing electronic survey to gather views on the proposed vision and ambitions for our strategy
- Full campaign on the intranet, public website and social media channels encouraging staff and the public to have their say in our strategy
- 20,000 four-page leaflets designed, printed and distributed to key locations to seek feedback from staff, patients and the public alike
- Discussion with and feedback from patient, carer and public groups on our strategy
- The Ingleside midwife-led birth centre participated in a wide range of engagement with key partners and local communities to develop its services.
- Development of a Lived Experience Panel to support with redesign of services

During the next 12 months we plan to build on our patient and public engagement to ensure the users of our services are at the heart of all major decisions we take about our plans for the future of the organisation.

Remuneration Report

Remuneration Report

The remuneration report has been prepared in compliance with the relevant elements of sections 420 to 422 of the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2001, parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor for the purposes of the Annual Report Manual and elements of the NHS Foundation Trust Code of Governance.

Annual Statement on Remuneration

I am pleased to present the remuneration report for 2019/20. As Chair of the Board of Directors, I chair the two committees charged with responsibility for nomination and remuneration:

- a Board Nomination and Remuneration Committee with formal delegated responsibility for the nomination and remuneration of Executive Directors and
- a Governor Nomination and Remuneration Committee - this second committee acts in an advisory and supporting capacity for the full Council of Governors but does not have formally delegated powers**.**

The exception to this arrangement is when my own performance or remuneration is being discussed. In these circumstances the Vice-Chair of the Trust will chair the Governor Nomination and Remuneration Committee.

Donna Hall

Trust Chair

May 2020

Remuneration Report

Board Nomination and Remuneration committee

The Board Nomination and Remuneration Committee met twice during the reporting period to consider the appointment, performance and remuneration of the Executive Directors. The Chief Executive and the Trust Secretary attended meetings other than when matters being discussed would have meant a conflict of interest. Minutes of meetings were recorded by the Trust Secretary. Attendance is shown in the table below.

In accordance with the Nomination and Remuneration Committee's Terms of Reference, there have been occasion when decisions have been made virtually – in 2019/20 this was enacted twice, once for the approval of temporary changes to NHS terms and conditions during the Covid-19 pandemic and once for ratification of the previously agreed salary increase for executive directors.

During the reporting period the Committee did not seek external advice and no fees were paid in relation to services to the Committee from third party providers.

Nomination and Remuneration Committee Attendance	
Donna Hall (Chair)	3/3
Dr Jackie Bene	2/3
Malcolm Brown	3/3
Jackie Njoroge	3/3
Rebecca Ganz	2/2
Bilkis Ismail	3/3
Martin North	3/3
Andrew Thornton	3/3
Alan Stuttard	3/3
Esther Steel (in attendance)	3/3

Executive Remuneration

During 2019/20 the Trust appointed a new Chief Executive Officer and commenced the process to appoint a new Director of Nursing – the latter appointment was paused following the outbreak of Covid-19 and will be resumed in July 2020.

The process to recruit and appoint our CEO was managed internally, following a high profile advert placed in HSJ, along with a marketing campaign, including social media, which attracted a strong field of candidates.

Benchmarking has been used to agree and establish salary scales for executive directors, these scales are described within the remuneration policy section of this report. During 2019/20 and in line with NHSI guidance, the executive directors were awarded a 1.32% consolidated increase plus a 0.77% non-consolidated one off payment – this is in line with the increase paid to staff at the top of band 9. There was a further NHSI recommendation that for staff in the top quartile pay band the full 2.09% should be non-consolidated. The only executive director in the top quartile pay band was Dr Bene and this recommendation was applied to this case. The award was agreed in January 2020 and was backdated to 1 April 2020.

Remuneration Report

In all debates and discussions pertaining to salaries for senior managers the Nomination and Remuneration Committee have ensured that the policies applied reflect those applicable to our staff on Agenda for Change contracts.

The Committee has a duty to ensure the Trust can recruit and retain and motivate the senior managers with the appropriate skills and values to lead the organisation. At the same time, the Committee recognises that this must be within the confines of public acceptability and affordability.

The Chief Executive is paid more than £150,000 per annum, the Committee reflected on benchmark salary information for comparative jobs within the NHS and concluded that the remuneration agreed was appropriate and reasonable for the current post holder.

Governor Nomination and Remuneration Committee

During 2019/20 the Governor Nomination and Remuneration Committee met twice:

- To receive the outcomes of NED appraisals.
- To agree to extend Mr A Thornton's appointment by one year until August 2021 – this decision was made to ensure a reasonable transition period between Chairs.
- To approve the appointment of Ms Rebecca Ganz as a full Non-Executive Director – previously appointed as Associate NED and Chair of iFM.

In January 2020, the Governors discussed the appointment of Associate Non-Executive Directors and engagement with the Gatenby Sanderson Insight programme for the development of aspiring Non Executives. Plans to enact this were paused as a result of the Covid-19 outbreak and will be resumed in 2020/21

Performance Evaluation

As reported earlier in this report, the performance of the Board of Directors and the Board committees was reviewed by Deloitte LLP as part of the Well Led Review in 2018.

The Chair reviewed the performance of the Chief Executive and each of the Non-Executives through the Trust appraisal process, the Chief Executive reviewed the performance of the Executive Directors, and the Senior Independent Director reviewed the performance of the Chair.

Within iFM Bolton, the Executive Chair reviews the performance of the Non-Executives and the Managing Director who in turn reviews the performance of the senior team. The performance of the iFM Executive Chair is reviewed by the Chair and CEO of the FT.

Remuneration Report

Remuneration policy table

Element	Link to strategy	Operation	Maximum	Changes
Base salary	To set a level of reward for performing the core role	The aim is to offer benchmarked salary which the committee consider appropriate for experience and performance.	For each role there is an agreed salary scale. When reviewing salaries, the Committee take account of personal and organisational performance and any national award offered to the wider employee population	No
Taxable benefits	The current remuneration policy of the Trust does not make provision for taxable benefits or performance related bonuses			
Annual performance related bonuses				
Long term performance bonuses				
Pension related benefits	To provide pensions in line with NHS policy	Directors are automatically enrolled in the NHS final salary pension scheme on the same basis as all other colleagues within the NHS	Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in Note 1.9 to the accounts.	No

For the purpose of the accounts and remuneration report the Chief Executive has agreed the definition of a "senior manager" to be Directors only.

Senior manager pay progression

At appointment, a Director is placed at the appropriate point on the salary scale as determined by the Remuneration Committee having considered previous experience.

The Remuneration Committee is firm in the view that progression through the salary ranges should not be automatic or linked to length of service but should be a true reflection of performance in the role as assessed through an effective appraisal system.

For Directors other than the Chief Executive, the Chief Executive provides the Remuneration Committee with a report on each Director summarising the achievement of specific objectives within the wider frame of the performance for the whole organisation. The award may also be constrained by affordability.

The senior pay policy makes provision for sums paid to be withheld or recovered if required.

NED remuneration policy

The fees payable to the Chair and Non-Executives are determined by the Council of Governors. These fees were reviewed in 2018/19 and Governors approved a 1% uplift in line with the offer to Agenda for Change staff. Governors also approved the award of an additional payment to the Chairs of the Finance and Investment and Quality Assurance Committees to recognise the additional time requirements to fulfil these key roles.

Non-Executive Directors are appointed for a three year term of office. They must be considered independent at the time of appointment. A Non-Executive Director's term of office may be terminated by the Council of Governors if the NED no longer meets the criteria for appointment as a NED. The governors are scheduled to discuss NED remuneration in July 2020.

Service Contract obligations

Senior managers' service contracts do not include obligations on the Foundation Trust which could give rise to or impact on remuneration payments or payments for loss of office.

Policy on payment for loss of office

Senior managers' service contracts include a six month notice period. In the event of a contract being terminated the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five "fair" reasons for dismissal.

Statement of consideration of employment conditions elsewhere in the Trust

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change. The 2019/20 salary scales for Executive Directors were agreed following a review of salary data provided by the NHS Providers with the uplift applies in line with NHSI guidance.

Expenses paid to governors and directors

The majority of the expenses claimed by Directors were for travel costs including travel to London for national meetings.

	Directors		Governors	
	19/20	18/19	19/20	18/19
Total number of Directors/Governors in office	21	24	32	32
Number of Directors/Governors receiving expenses	14	14	0	0
Aggregate sum of expenses	£14,603.72	£10,806.27	£0	£0

Remuneration

The following tables provide information which is subject to audit review about the salaries, allowances and pension and pension entitlements of employees and appointees.

Fiona Noden

Chief Executive, 23 June 2020.

Remuneration Report

Name	Post	Tenure	2019/20						2018/19					
			A	B	C	D	E	Total (bands of £5k)	A	B	C	D	E	Total (bands of £5k)
Jackie Bene	Chief Executive and Medical Consultant	From 22/06/13	210 - 215	-	-	-	45 - 47.5	255 - 260	205 - 210	-	-	-	47.5 - 50	255 - 260
Francis Andrews	Medical Director	From 13/08/2018	185 - 190	-	-	-	30 - 32.5	215 - 220	115 - 120	-	-	-	57.5 - 60	170 - 175
Trish Armstrong-Child	Director of Nursing & Deputy Chief Executive	13/05/13 – 30/11/19	95 - 100	-	-	-	115 - 117.5	215 - 220	145 -150	-	-	-	105 - 107.5	250 - 255
Andy Ennis	Chief Operating Officer	From 01/01/14	135 - 140	-	-	-	100 - 102.5	235 - 240	125 - 130	-	-	-	92.5 - 95.0	220 - 225
Marie Forshaw	Director of Nursing (interim)	From 01/12/19	35 - 40	-	-	-	95 - 97.5	130 - 135	-	-	-	-	-	-
Sharon Martin	Director of Strategy	From 03/09/2018	110 - 115	-	-	-	127.5 - 130	240 - 245	60 - 65	-	-	-	25 - 27.5	85 - 90
James Mawrey	Workforce Director	From 05/02/18	120 -125	-	-	-	55 - 57.5	175 - 180	115 - 120	-	-	-	140 - 142.5	255 - 260
Annette Walker	Director of Finance	From 17/07/17	140 - 145	-	-	-	62.5 - 65	205 - 210	130 - 135	-	-	-	190 - 192.5	325 - 330
Steve Hodgson	Medical Director	01/09/13 - 03/08/2018	-	-	-	-	-	-	60 -65	-	-	-	-40 - -42.5	15 - 20
Mark Wilkinson	on secondment to GM team from 02/07/17	04/08/14 - 18/11/2018	-	-	-	-	-	-	-	-	-	-	75 - 77.5	75 - 80
Non Executive Directors														
Donna Hall	Chair	From 01/04/20	60 – 65	-	-	-	-	60 - 65						
Malcolm Brown	Non-Executive Director	From 01/09/18	10 - 15	-	-	-	-	10 - 15	5 - 10	-	-	-	-	5 - 10
Rebecca Ganz	Non Executive Director/Chair of iFM Bolton	From 01/12/20 (as FT NED)	10 - 15	-	-	-	-	10 - 15						
Bilkis Ismail	Non Executive Director	From 01/09/17	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Jackie Njoroge	Non Executive Director	From 01/09/16	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Martin North	Non-Executive Director	From 01/07/18	10 - 15	-	-	-	-	10 - 15	5 - 10	-	-	-	-	5 - 10
Alan Stuttard	Non-Executive Director	From 01/01/19	10 - 15	-	-	-	-	10 - 15	0 - 5	-	-	-	-	0 - 5
Andrew Thornton	Non Executive Director	From 01/10/14	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
David Wakefield	Trust Chairman	08/08/12 – 31/03/19	-	-	-	-	-	-	30 - 35	-	-	-	-	30 - 35
Allan Duckworth	Non Executive Director	01/01/2013 - 31/12/2018	-	-	-	-	-	-	10 - 15	-	-	-	-	10 - 15
Ann Gavin-Daley	Non Executive Director	01/09/15 - 31/08/2018	-	-	-	-	-	-	5 - 10	-	-	-	-	5 - 10

A	Salary and Fees	D	Long term performance bonuses
B	Taxable benefits	E	Pension related benefits
C	Annual performance related bonuses		

Total Pension Entitlement

Name and title	Date commenced Snr Manager post	Date ceased Snr Manager post	No of days (if in year start)	Real increase in pension sum at pension age	Real increase in lump sum at pension age at 31 March 2020	Total accrued pension at pension age at 31 March 2020	Lump sum at age 60 related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 1 April 2019	Real Increase in Cash Equivalent Transfer Value funded by Employer	Cash Equivalent Transfer Value at 31 March 2020	Employers Contribution to Stakeholder Pension
				(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	
Jacqueline Bene	22/06/13			2.5 - 5	0	85 - 90	215 - 220	1,710	63	1,814	
Francis Andrews	13/08/2018			0 - 2.5	0	55 - 60	135 - 140	1,110	42	1,178	
Patricia Armstrong-Child	13/05/13	30/11/2019	243	2.5 - 5	2.5 -5	60 - 65	155 - 160	1,026	72	1,159	
Marie Forshaw	01/12/19		121	0 – 2.5	2.5 - 5	40 - 45	125 - 130	774	35	898	
Andrew Ennis	01/01/14			2.5 - 5	7.5 - 10	65 - 70	190 - 195	1,334	131	1,497	
Sharon Martin	03/09/2018			5 – 7.5	7.5 - 10	40 - 45	100 - 105	681	108	805	
James Mawrey	05/02/18			2.5 - 5	0 - 2.5	30 - 35	60 - 65	422	41	473	
Annette Walker	17/07/17			2.5 - 5	0 - 2.5	45 - 50	110 - 115	782	59	860	

Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in note 1.8 to the accounts.

Staff Report

Introduction

An organisation can only ever be as good as the people who work in it. Our goal for Bolton is to be a great place to work, where our people can thrive and reach their full potential.

To help deliver this goal our Board of Director approved the Workforce & Organisational Development Strategy, which identifies our workforce priorities for the next three years. The strategy focuses on the following four priorities for action: Health Organisational Culture, Sustainable Workforce, Capable Workforce, Effective Leadership and Managers. The Workforce Assurance Committee is the sub-board committee charged with overseeing implementation of the strategy with updates being provided to the Board of Directors. Furthermore the Workforce Assurance Committee ratifies the Trust's Workforce Plans on an annual basis (agreed by both the Director of Nursing and Medical Director). These workforce plans are critical in helping to ensure the alignment of the Trust clinical workforce with the delivery of care, based on both demand/flow and demographics/acuity. Our performance against key workforce metrics (including staffing levels) is presented monthly to the Board of Directors.

We recognise that a continued focus on enhancing the wellbeing of our workforce is required to support our staff to stay well. In line with the Health & Wellbeing plan our flu vaccination rate for front line staff remains strong with over 80% of our frontline staff received the vaccination in 2019/2020. Our vacancy rate is reported to the Board Committees and our rates remain low when compared to peer NHS organisations. Our dependency on agency staff continues to reduce.

The main anticipated changes to the shape of the workforce are as follows:

- Medical staffing levels has increased over recent years, specifically within the consultant level positions. Whilst this increase has slowed, it is anticipated that consultant numbers will be maintained. Generally we do not have significant problems in recruiting into senior positions, albeit a few 'hard to fill' areas where bespoke plans are in place. We have a range of measures in place in order to mitigate the anticipated reduction in Junior Doctors in this time period
- The nurse vacancy rate remains low when compared to peer organisations. Recruitment of nurses has not traditionally been a problem for the Trust and a comprehensive recruitment and retention plan is in place.
- Non-medical staffing is projected to reduce with reductions in administrative staff as systems and efficiencies become leaner and more streamlined, taking advantage of enabling technologies

A sharper focus on delivering the Health and Wellbeing Plan is required as staff sickness remains high against a tolerance level of 4.2%. The chart below shows the percentage of FTE days lost to sickness during 2019/2020.

We remain committed to ensuring staff are regularly appraised and receive all of the required training to ensure they continue to be safe and effective in their roles. We deliver an appraisal target of 85%. Mandatory training compliance levels are high at over 90%.

Staff Report

Staff costs

	2019/20	2018/19
	Total £000	**Total £000**
Salaries and wages	206,948	190,935
Social security costs	19,361	17,880
Apprenticeship Levy	955	883
Pension costs	22,716	21,160
Pension costs – employer contributions paid by NHSE on provider's behalf (6.3%)	9,684	
Termination benefits	198	144
Temporary staff - agency/contract staff	6,601	8,525
TOTAL GROSS STAFF COSTS	**266,463**	**239,527**
Less Costs capitalised as part of assets	2,391	2,621
TOTAL STAFF COSTS	**264,072**	**236,906**

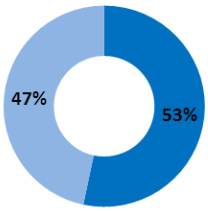
Staff numbers – by professional group (average full time equivalent)

	2019/20			2018/19		
	Total	**Permanent**	**Other**	**Total**	**Permanent**	**Other**
Medical and dental	**542**	525	17	**363**	257	106
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**865**	846	19	**1079**	1,015	64
Healthcare assistants and other support staff	**1,661**	1,474	187	**1270**	1229	41
Nursing, midwifery and health visiting staff	**1,871**	1,761	110	**2008**	1,985	23
Scientific, therapeutic and technical staff	**781**	766	15	**739**	719	20
Total average numbers	**5,720**	5,374	348	**5,459**	5,205	254

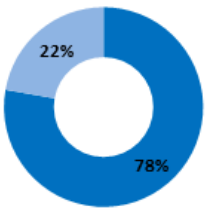
Number of employees (WTE) engaged on capital projects	**59**	59	0	**72**	72	

Staff groups by gender 2019/2020

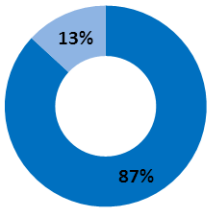
Board of Directors



Senior Managers



All Other staff



Our gender pay gap report can be found on our website or by reference to the Cabinet Office website

(https://gender-pay-gap.service.gov.uk/)

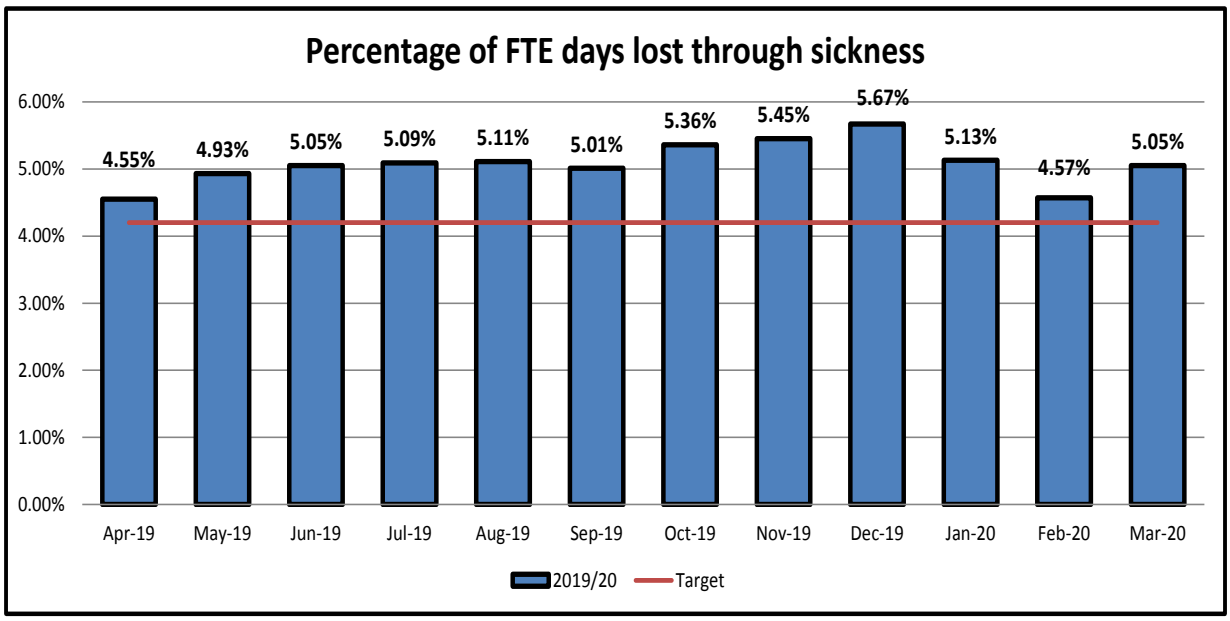
Staff Report

Sickness absence data

We work hard to ensure our staff are healthy and enjoy work and to see a year-on-year improvement in attendance. We have a comprehensive attendance management policy and encourage staff to seek professional medical support through our extensive occupational health and well-being services if needed.

Sickness absence rate is calculated by dividing the sum total sickness absence days (including non-working days) by the sum total days available per month for each member of staff).

The chart below shows the percentage of days lost to sickness during 2019/20.



Staff policies and actions

Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities:

We actively encourage applications from disabled individuals in accordance with the Equality Act 2010. As an organisation we are committed to employ, keep and develop the abilities of disabled staff and this is reflected in our Recruitment and Selection policy. During the recruitment process, we are committed to making adjustments where necessary. Candidates who have declared a disability need only to meet the essential criteria to be guaranteed an interview. The Resourcing Team ensure that any direct or indirect reference to discrimination is removed from all application forms and that equality and diversity information is removed from the shortlisting process.

Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period

We are committed to supporting staff to remain in work and have a Supporting Staff with Disabilities policy which is used for both newly recruited employees with a disability who make their needs known at the recruitment stage and those staff who are currently employed by the Trust who become disabled whilst in employment. The policy ensures that NHS guidance, advice and necessary training is provided to managers.

Policies applied during the financial year for the training, career development and promotion of disabled employees

All policies are subject to an Equality Impact Assessment. In relation to disabled employees the HR team give expert advice on the need for reasonable adjustments to be made to ensure that there is equal access to training and development and promotion opportunities.

Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees

Communication with our staff continues to take many forms: we have a weekly bulletin, a monthly staff newsletter ('Our VOICE') and a monthly face to face team brief, alongside team meetings that cover a variety of practice-based topics. We have implemented a range of innovative programmes as part of the Board's commitment to 'listen and act', including the Chief Executive's 'Listening lunches', divisional road shows and engagement meetings with staff. These meetings have proved extremely popular with staff as a means of both raising issues and keeping up to date with relevant information. To complement this Executive Directors undertake regular visits to different wards and departments across hospital and community teams to gain feedback from staff working at the front line.

Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests

During periods of transition, communication with staff is seen as a priority to ensure that all staff are fully informed at each step of the development, as well as being part of the on-going consultation process. The Trust will continue to engage, consult and work positively with staff side to foster true partnership working and ensure that the Trust and its employees are able to move forward and meet the challenges ahead.

We have a number of formal vehicles where management and staff side meet to deal with employee relations issues, namely:

1. The Joint Negotiation and Consultative Committee (JNCC), which meets monthly.
2. The divisions have collaborative meetings which meet monthly and deal with pressing local issues within the divisions that can be dealt with quickly to enable good working relationships.
3. The Local Negotiating Committee (LNC), which meets quarterly with local and regional medical representatives to discuss the strategic overview for the medical workforce, policies, workloads, clinical excellence awards, rotas, recruitment and junior doctors.

Facility Time

Facility time is time off from an individual's job, granted by the employer, to enable a rep to carry out their trade union role. In some cases, this can mean that the rep is fully seconded from their regular job, enabling them to work full time on trade union tasks.

Facility time covers duties carried out for the trade union or as a union learning representative, for example, accompanying an employee to disciplinary or grievance hearing. It also covers training received and duties carried out under the Health and Safety at Work Act 1974

In accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017 which took effect on 1 April 2017 the tables below which have been approved by our chair of Staffside provide information on facility time within the Trust.

Number of employees who were relevant union officials during 2019/20

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	3.02

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	Figures
total cost of facility time	£94,820.31
total pay bill	£251,519,332
percentage of the total pay bill spent on facility time	0.0004%

Percentage of pay bill spent on facility time

We support funded seconded release for staff representatives and therefore trade union activities are included in the facility time above and not differentiated.

Actions taken in the financial year to encourage the involvement of employees in the NHS foundation trust's performance

We actively encourage the involvement of our employees at all levels in all aspects of performance. Activities during 2019/20 include:

- Involvement of clinical & non-clinical staff in improvement activities including "perfect week".
- Involvement of our staff in fundraising and health promotional activities
- Use of our staff friends and family survey data in local sessions with teams to strengthen engagement and improve the staff experience.
- Listening lunches with the Chief Executive Officer, and Executive Buddy programme.

Occupational Health

We are part of joint venture commercial collaborative Occupational Health service, set up in 2014. The service is hosted by Wrightington, Wigan and Leigh NHS Foundation Trust (WWL) and is managed jointly between WWL, Bolton and Lancashire Teaching Hospitals NHS Foundation Trust (LTH). The service is called Wellbeing Partners and provides Occupational Health services to a number of public and private sector organisations across Lancashire, including large service provision contracts with Edge Hill University, Bridgewater Community NHS Foundation Trust and Lancashire Care NHS Foundation Trust.

Staff Report

The service vision is to develop a sustainable, clinician-led occupational health service for both public sector and private sector organisations in North Manchester and Lancashire that delivers excellent results and value for money for NHS organisations and for a broad client base.

The service provided by Wellbeing Partners provides all our occupational health requirements, including, support on pre-employment health checks, health referrals, flu inoculations and proactive health interventions such as fast track physiotherapy referrals and mental health drop in sessions.

Health and Safety

Health and Safety is overseen by the Trust's Group Health and Safety Committee. This committee involves key stakeholders from both the Trust and iFM and from management and staff representation in order to meet the requirements of various health and safety acts and regulations.

During 2018/19 the Health and Safety Executive (HSE) wrote to the Trust to express concerns in relation to a number of issues, initially prompted by concerns over the number of RIDDOR reportable sharps injuries. During 2019/20 the Trust has worked hard to mitigate the concerns expressed, in particular by reviewing procedures and introducing safer sharps. The HSE were satisfied with the actions taken and discharged their intention to continue monitoring the Trust.

The model of provision for health and safety advice for the Trust has been restructured and will continue to be monitored and reviewed to ensure we have the capacity and capability to provide adequate leadership, systems and processes to facilitate safe working practises to meet future challenges..

Measures to avoid fraud and corruption

We have a Counter Fraud and Corruption Policy in place. A counter fraud work plan is agreed with the Director of Finance and approved by the Audit Committee. The local counter fraud specialist is a regular attendee at Audit Committee meetings to report on any investigatory work into reported and suspected incidents of fraud and to provide an update on the on-going programme of proactive work to prevent potential fraud.

Staff Survey Results

We take part in the annual NHS National Staff Survey, which surveyed a random sample of 1,250 substantive staff (the advised minimum sample size for an organisation of this size). The survey was conducted between late September and late November 2019 and the overall response rate was 37.9%. Across the Divisions, response rates varied from 24.8% to 53.2%. The average response rate for acute and community trusts this year was 46%.

Approach to Staff Engagement

We have successfully sustained an overall engagement score of 7.3 (on a ten point scale) which evidences all the hard work and effort that colleagues across the organisation have put into improving staff experience. Our NHS national staff survey scores placed us in top place (along with WWL) within the Greater Manchester footprint for acute and community trusts. We are also within the top 25% nationally for quality and safety, and workforce stability.

Over the last year a range of improvements and interventions have been implemented at an organisational and divisional level with the aim of improving staff experience. Below are some examples that have contributed to our strong performance in this year's national staff survey and our Go Engage pulse surveys.

- Developed and implemented our Staff Health and Wellbeing Strategy and associated programme of work.
- Delivered two further Caring for Yourself Programmes and targeted staff health and wellbeing events (e.g. A&E Dept and Maternity Dept) that promoted self-care and provided advice, tools and support to increase resilience and improve health and wellbeing.
- Delivered bespoke wellbeing and resilience interventions following serious and traumatic situations/incidents.
- Delivered our equality diversity and inclusion priorities including establishing the BME staff forum, celebrating black history month, rainbow badge campaign, taking part in Bolton Pride, etc.
- Designed and delivered a large-scale engagement event for our health care support workforce as well as various conferences for clinical staff e.g. nursing and midwifery conference, AHP conference
- Improved promotion of the Freedom to Speak Up approach and enhanced FTSU champions network.
- Facilitated a series of leadership master classes involving expert and highly-regarded speakers.
- Promoted our apprenticeship offer and maximised the apprenticeship levy to up-skill our existing workforce through new apprenticeship qualifications.
- Designed and delivered bespoke team building interventions at different levels across the organisation.
- Continued to formally recognise the contributions of employees and teams through the employee and team of the month award scheme, ABC awards and the annual Trust and Divisional award ceremonies.

Future Priorities for Staff Engagement

We will continue to deliver our workforce and OD strategy that addresses the areas that our employees have identified as requiring improvement. The key priorities over the next year include:

- **Improving patient care** – we will continue to work with our staff through team meetings, staff listening sessions, away days etc. and maximise incident reporting and complaints information to improve patient care. It has been agreed to establish health care support workforce forums at a divisional level to co-design solutions that will improve patient care and staff morale. The original intention was to hold a launch event in May 2020 followed by the divisional forums in July 2020. However, due to the COVID-19 crisis this has been paused and will restart at an appropriate point in time.
- **Improving culture and behaviours** – the VOICE Behaviour Framework has been developed and will be piloted in agreed specific areas of the organisation. If the pilot is successful then the VOICE Behaviour Framework will be rolled out across the Trust and embedded into our people management processes and attraction and retention strategies.
- **Improving the quality of appraisals** – we are currently at the final stages of developing a new 121 and appraisal process that facilitates a different conversation between an employee and their immediate line manager. The new process will empower individuals to take greater responsibility for their own engagement and development. The proposed process will incorporate the VOICE Behaviour Framework, and will have a greater focus on health and wellbeing. The new process will be piloted alongside the behaviour framework.
- **Accelerating our equality, diversity and inclusion programme** – the new Embracing Differences training programme and BAME development programme were both due to start in April 2020. Again due to the COVID-19 crisis the programmes have been put on hold and will restart in September 2020 under a different delivery model. The EDI Steering Group, chaired by the Director of Nursing, will continue to lead the implementation of the Trust's Equality Strategy and EDI agenda.
- **Improving staff health and wellbeing** – the Staff Health and Wellbeing Steering Group, chaired by the Executive Director of Workforce and OD, continues to deliver the Trust's Health and Wellbeing Strategy at pace. In response to the COVID-19 crisis an even greater focus has been given to delivering a sustained staff wellness programme that helps to restore and maintain staff wellbeing for the future.

Staff Report

Staff Survey findings

The table below provides a high level overview of the key findings related to the organisation. Included within this breakdown is our GM position:

Organisation	Type	Quality of Care	Staff Morale	Staff Engagement
Salford Royal	Acute	7.4	6.2	7.1
Bolton	Acute	7.7	6.5	7.3
Tameside	Acute	7.6	6.1	7.0
Stockport	Acute	7.2	6.0	6.9
Pennine Acute	Acute	7.5	6.2	7.0
Wrightington, Wigan & Leigh	Acute	7.8	6.5	7.3
Manchester University Hospitals	Acute	7.4	6.2	7.1
Bridgewater Community	Community	7.4	6.1	7.0
Greater Manchester Mental Health	Mental Health	7.1	6.1	6.9
Pennine Care	Mental Health	7.3	6.3	7.1
The Christie	Specialist	7.9	6.5	7.5
North West Boroughs	Mental Health	7.4	6.1	7.0

Staff Report

The table below shows the areas that have significantly improved compared to 2018. It is clear from the table that we have made more rapid progress than the sector average in most areas.

Question	Trust Results 2019	Trust Results 2018	Variance	Comparator 2019	Comparator 2018	Variance
I am able to deliver the care I aspire to?	79%	79%	0%	69%	68%	+1%
Care of patients / service users is my organisation's top priority?	82%	83%	-1%	78%	78%	0%
I would recommend my organisation as a place to work?	66%	71%	-5%	64%	62%	+2%
If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation?	70%	75%	-5%	71%	71%	0%
In the last 12 months, have you had an appraisal?	94%	94%	0%	89%	89%	0%
Were the values of your organisation discussed as part of the appraisal process?	48%	50%	-2%	39%	35%	+4%
The last time you experienced harassment, bullying or abuse at work, did you or a colleague report it?	40%	46%	-6%	47%	46%	+1%

The table below shows the staff survey results for the last three years

National Staff Survey Results						
	Scores					
	2017		2018		2019	
	Trust	Benchmark	Trust	Benchmark	Trust	Benchmark
Equality, Diversity & Inclusion	9.3	9.2	9.2	9.1	9.1	9.2
Health and Wellbeing	6.2	6.0	6.3	5.9	6.3	6.0
Immediate Managers	6.9	6.8	7.1	6.8	7.2	6.9
Morale	NA	NA	6.5	6.2	6.5	6.2
Quality of appraisals	5.7	5.4	5.7	5.4	5.6	5.5
Quality of care	7.7	7.5	7.9	7.5	7.7	7.5
Safe environment (Bullying & Harassment)	8.3	8.1	8.2	8.1	8.2	8.2
Safe environment (Violence)	9.4	9.5	9.4	9.5	9.5	9.5
Safety Culture	7.0	6.7	7.0	6.7	7.1	6.8
Staff Engagement	7.1	7.0	7.3	7.0	7.3	7.1
Team working	7.0	6.6	7.0	6.6	7.1	6.7
Response Rate	42.8%	42.4%	44.1%	41.3%	37.9%	45.6%

Expenditure on consultancy

Expenditure on Consultancy related spend was £191,000 in 2019/20

Off payroll engagements

Statement on off payroll arrangements

Our policy for off payroll arrangements is in line with the guidance provided by NHSI/E and based on HM Treasury guidance that:

- board members and senior officials with significant financial responsibility should be on the organisation's payroll, unless there are exceptional circumstances – in which case the Accounting Officer should approve the arrangements – and such exceptions should exist for no longer than six months;
- engagements of more than six months in duration, for more than a daily rate of £220, should include contractual provisions that allow the department to seek assurance regarding the income tax and NICS obligations of the engagee – and to terminate the contract if that assurance is not provided;

We have established processes in place by which the need for employees can be assessed and the appropriate individuals recruited. While our preference is to employ our own staff,

The need may arise from time to time to cover areas of work which are specialist and outside our current areas of expertise and/or; particular circumstances dictate that someone outside the Trust should be engaged (e.g. certain investigations).

In such cases a determination is made as to which method of resourcing is most appropriate

Our preferred order of consideration would generally be

- Employment
- Agency
- Self-Employed Contractor (off-payroll)

The tables below provide detail of off-payroll engagements of more than £245 per day lasting for longer than six months

Existing off-payroll engagements as of 31 March 2020

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

New off-payroll engagements and those that reached six months in duration between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	0
Of which...	0
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
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

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements.	21

Fair Pay multiple

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

	2019/20	2018/19 restated	2018/19 reported
Highest paid director salary - (J Bene – includes consultant post and CEA	213,893	209,521	209,521
Median Salary	26,220	25,750*	29,608
Median Salary Ratio	8.10	8.06*	7.01
Employees receiving remuneration in excess of the highest paid director.	0	0	0
Remuneration range	8 - 214	8 - 210	8 - 210

*Please note that the 18/19 median salary and ratio have been restated from those published. These audited figures were found to contain an error which has now been rectified.

Total remuneration does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions."

Exit Packages

Exit package cost band	Number of compulsory redundancies			Number of other departures agreed			Total number of exit packages			Total cost £000		
	19/20	18/19	17/18	19/20	18/19	17/18	19/20	18/19	17/18	19/20	18/19	17/18
<£10,000				36	29	15	36	29	15	123	94	35
£10,001 - £25,000												
£25,001 - 50,000					1			1			50	
£50,001 - £100,000												
£100,001 - £150,000												
£150,001 - £200,000												
>£200,000												
Total	**0**	**0**	**0**	**36**	**30**	**15**	**36**	**30**	**15**	**123**	**144**	**30**

Exit packages: non-compulsory departure payments

Exit packages: other (non-compulsory) departure payments	Number of Payments agreed			Total value of agreements £000		
	19/20	18/19	17/18	19/20	18/19	17/18
Voluntary redundancies including early retirement contractual costs	3	5	3	30	69	9
Mutually agreed resignations (MARS) contractual costs	1			18		
Early retirements in the efficiency of the service contractual costs						
Contractual payments in lieu of notice	37	25	12	138	75	26
Exit payments following employment tribunals or court orders	1			12		
Non-contractual payments requiring HMT approval						
Total	42	30	15	198	144	35
of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary						

Payments for loss of office and to past senior managers

No payments have been made for loss of office or to past senior managers during the reporting year 2019/20.

Code of Governance Disclosures

Statement of Compliance with the Code

Bolton 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 Trust Secretary reviews our compliance with the NHS Foundation Trust Code of Governance and prepares a report for the Audit Committee. The Audit Committee considered this report at its meeting on 13 February 2020 and agreed that the Trust complied with all the main and supporting principles of the Code of Governance.

The Code is implemented through key governance documents, policies and procedures of the Trust, including but not limited to:

- The Constitution
- Standing Orders
- Standing Financial Instructions
- Scheme of Delegation
- Schedule of Matters Reserved for the Board
- Code of Conduct (for Directors, for Governors and for Senior Managers)
- Staff Handbook
- Governor Handbook.

Summary Schedule of Matters Reserved for the Board

The Schedule of Matters reserved for the Board details the decisions and responsibilities reserved to the Council of Governors, the Board of Directors and those delegated to the agreed committees of the Board of Directors.

In the event of any unresolved dispute between the Council of Governors and the Board of Directors, the Chair or the Secretary may arrange for independent professional advice to be obtained for the Foundation Trust. The Chair may also initiate an independent review to investigate and make recommendations in respect of how the dispute may be resolved.

The overall responsibility for running an NHS foundation trust lies with the board of directors. The Council of Governors is the collective body through which the directors explain and justify their actions; the council should not seek to become involved in the running of the trust.

Directors are responsible and accountable for the performance of the foundation trust; governors do not take on this responsibility or accountability. This is reflected in the fact that directors are paid while governors are volunteers.

Code of Governance Disclosures

The Council of Governors

As set out in the constitution, the Council of Governors consists of 23 publicly elected Governors, six staff Governors and nine appointed partner Governors.

The Council of Governors meets formally in public every two months

The role of the governor is to:

- hold the Non-Executive Directors individually and collectively to account for the performance of the board of directors
- to represent the interests of NHS foundation trust members and of the public
- Set the terms and conditions of Non-Executive Directors
- Approve the appointment of future Chief Executives
- Appoint or remove the Trust's external auditor
- Consider the annual accounts, annual report and auditor's report
- Be consulted by the Board of Directors on the forward plans for the Trust.
- Approve changes to the constitution of the Trust
- Take decisions on significant transactions
- Take decisions on non NHS income.

The Board of Directors and the Council of Governors enjoy a strong working relationship. The Trust Chair chairs both and acts as a link between the two. Each is kept advised of the other's progress through a number of systems, including informal updates via the Chair, ad hoc briefings, exchange of meeting minutes and attendance of the Board of Directors at the Council of Governors and by individual Directors at Council of Governors sub-committees.

The Governors have not had cause to exercise their power to require one or more of the directors to attend a governors' meeting. The Executive and Non-Executive Directors attend the majority of Governor meetings to provide information about the performance of the Trust and to develop the relationship between the two bodies.

Governors have a responsibility to canvass the opinions of the Trust's members and the wider public with regard to their views on the forward plans of the Trust. Governors are able to attend local area forums to meet with members within their own areas of the public constituency. Governors also took the opportunity to network informally with members prior to the Annual Members' Meeting and prior to Medicine for Members events.

Code of Governance Disclosures

Public Governors

Name	Area	Date Elected	End of period of office	Meeting attendance
Anne Bain	Bolton North East	October 2013	September 2019	1/2
Bhagvati Parmar	Bolton South East	October 2016	September 2019	0/2
Bill Crook	Bolton South East	October 2018	September 2021	4/5
Carol Burrows	Bolton South East	October 2016	September 2019	0/2
Champak Mistry	Bolton South East	October 2013	September 2022	5/5
Derek Burrows	Bolton South East	October 2019	September 2022	3/3
Grace Hopps	Bolton West	October 2017	September 2020	2/5
Jane Lovatt	Bolton North East	October 2019	September 2022	3/3
Janet Whitehouse	Bolton West	October 2014	September 2020	3/5
Janice Drake	Bolton West	October 2017	September 2020	4/5
Kantilal Khimani	Bolton South East	October 2016	September 2022	4/5
Kayonda Hubert Ngamaba	Bolton South East	October 2019	September 2022	0/5
Kemi Abidogun	Bolton West	October 2018	September 2022	0/5
Laila Dawson	Bolton West	October 2018	September 2021	3/5
Margaret Parrish ★	Bolton North East	October 2016	September 2022	5/5
Mohammed Iqbal Essa	Bolton North East	October 2017	September 2020	4/5
Oboh Achioyamen	Bolton North East	October 2017	September 2020	2/5
Pat Groocock	Bolton North East	October 2017	September 2020	3/5
Pauline Lee	Bolton West	October 2018	September 2021	4/5
Rosie Adamson-Clark	Bolton North East	October 2017	September 2020	0/5
Sorie Sesay	Bolton South East	October 2013	September 2022	3/5

Staff Governors

Name	Area	Date Elected	End of Period of Office	Meeting Attendance
Dipak Fatania	All other staff	October 2013	September 2022	1/5
Tracey Holliday	Nurses and Midwives	October 2014	September 2020	4/5
Janet Roberts ★	Nurses and Midwives	October 2013	September 2019	1/2
Kirsty Fearnley	Nurses and Midwives	October 2019	September 2022	1/3
Martin Anderson	AHPs and Scientists	October 2017	September 2020	2/5
Dawn Fletcher-Wilde	All other staff	October 2018	September 2021	3/5
Abhijit Sinha	Doctors and Dentists	October 2018	September 2021	2/5

★ Chair of a sub-committee and one of the two lead governors.

Code of Governance Disclosures

Appointed Governors

Name	Representing	Date Appointed	Meeting Attendance
Jim Sherrington ★	Bolton Healthwatch	October 2017	5/5
Jane Howarth	Bolton University	July 2014	0/5
Dawn Hennefer	Salford University	September 2014	2/5
Susan Haworth	Bolton Metropolitan Borough Council	April 2014	3/5
Susan Baines	Bolton Metropolitan Borough Council	April 2019	1/3
Samir Naseef	Bolton Local Medical Committee	November 2012	1/5
Darren Knight	Bolton Local Council for Voluntary Services	May 2016	3/5
Leigh Vallance	Bolton Local Council for Voluntary Services	July 2014	5/5

Elections to the Council of Governors were held according to the constitution in September 2019. Results were as reported below.

Seat	Turnout	Governor Elected
Bolton North East	19.6%	Jane Lovatt Margaret Parrish
All Other Staff	15.8%	Dipak Fatania

The following seats were uncontested in the 2019 elections:

- Bolton South East - elected Derek Burrows
- Bolton South East - elected Kantilal Khimani
- Bolton South East – elected Champak Mistry
- Bolton South East – elected Kayonda Hubert Ngamaba
- Bolton South East – elected Sorie Sesay
- Nurses and Midwives – elected Kirsty Fearnley

Lead Governor

In consultation with the Chair and the Trust Secretary, the Council of Governors decided to nominate the two chairs of the sub-committees to jointly act as lead governor. The lead governor role is undertaken in accordance with Monitor guidance as the point of contact between Monitor and the Council of Governors with no additional responsibilities. In 2019/20, the Governors fulfilling these roles were Janet Roberts (till October 2019) Margaret Parrish Oct 2019 onwards) and Jim Sherrington.

Code of Governance Disclosures

Directors' and Governors' Register of Interests

A register is kept of Directors' and Governors' interests. In accordance with guidance this register is published on our website and is available on request.

In accordance with the disclosure requirements the Chair at the time of her appointment advised the Council of Governors of her appointments as chair of the National Local Government Association. Since her appointment the Chair has formally advised the Governors of additional interests as below:

- Associate Professor University of Manchester
- Donna Hall Consulting Ltd
- Chair NLGAN (not remunerated position)
- System Advisor NHS England
- Non Executive Advisor Birmingham City Council
- Board Member Carnall Farrarr (from 1st April 2020)

Developing understanding

The Board of Directors has taken steps to ensure that members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about their NHS Foundation Trust.

The Chair chairs both the Board of Directors and the Council of Governors and with the assistance of the Director of Corporate Governance is the link between the two bodies. The full Council of Governors meets a minimum of six times a year and these meetings are attended by representatives of the Executive Directors, the Senior Independent Director and the Non-Executive Directors. The Governors' meetings provide the opportunity for the Governors to express their views and raise any issues so that the Executive Directors can respond.

In 2014 at the request of the Governors, the part two section of the Board of Directors was opened up for Governors to attend and observe. Governors have provided feedback in support of this change which has allowed them to gain a greater degree of the understanding of the work of the Board.

The Governors have two formal sub-committees dealing with Auditor appointment, and nomination and remuneration. These are attended by the Chair of Audit and Director of Finance (Auditor appointment) and by the Senior Independent Director (nomination and remuneration).

The Governors also have two sub-groups, each chaired by a Governor nominated by the group. These groups are attended by the Trust Secretary and other members of Trust staff as required.

Regular training sessions are provided for Governors to ensure they gain a full understanding of the role.

The Trust recognises the importance of being accessible to members. Council of Governors meetings are held in public and publicised on the Trust website, member newsletters and notices around the Trust. The Governors representing the electoral wards of Bolton are able to attend the local area forums run by Bolton Council to meet individual FT members and members of the public and hear their views.

Code of Governance Disclosures

Board of Directors

The Board of Directors comprises the Chair, Chief Executive, Senior Independent Director, six other independent Non-Executive Directors and six Executive Directors. The Board meet monthly in public. Papers for the meeting including the minutes of the previous meeting are available on the Trust website.

The Directors have collective responsibility for setting strategic direction and providing leadership and governance.

The Scheme of Delegation which is included in the Trust's standing orders, sets out the decisions which are the responsibility of the Board of Directors and those which have been delegated to a sub-committee of the Board.

The Executive Directors of the Trust meet weekly to consider the operational management and the day to day business of the Trust. These meetings are supported by the control system described within our Annual Governance Statement on page 60.

Attendance at Board of Director meetings			
Jackie Bene	10/12	Donna Hall	11/12
Trish Armstrong Child	8/8	Malcolm Brown	12/12
Francis Andrews	12/12	Bilkis Ismail	10/12
Andy Ennis	11/12	Jackie Njoroge	11/12
Sharon Martin	12/12	Martin North	12/12
James Mawrey	11/12	Alan Stuttard	12/12
Annette Walker	11/12	Andrew Thornton	10/12
Marie Forshaw	4/4	Rebecca Ganz	12/12
Esther Steel	12/12		

Balance, Completeness and Appropriateness

There is a clear separation of the roles of the Chair and the Chief Executive, which has been set out in writing and agreed by the Board. The Chair has responsibility for the running of the Board, setting the agenda and for ensuring that all Directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day to day business of the Trust.

The Board of Directors has continued to assess the independence of its Non-Executive Directors further to the requirements of the Code of Governance, and considers that each Non-Executive Director is independent in character and judgement.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial, financial and other knowledge required for the successful direction of the organisation.

All Directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

The external advisors used during 2019/20 have no other connections to the Trust.

Code of Governance Disclosures

Audit Committee

The Audit Committee is constituted as a Group Audit Committee to provide oversight with regard to both the FT and its wholly owned subsidiary iFM Bolton. The Committee met on five occasions during the period April 1st 2019 and March 31st 2020.

Audit Committee Attendance	
Members	
Jackie Njoroge	5/5
Bilkis Ismail	4/5
Malcolm Brown	5/5
Martin North	5/5
Rebecca Ganz	3/5
Attendee	
Annette Walker	5/5
Esther Steel	5/5

Chair of the Audit Committee

In September 2016, the Council of Governors appointed Jackie Njoroge to chair the Audit Committee. In July 2019, the Governors approved a second term of office for Jackie Njoroge until September 2022

Auditor Appointment

External Auditor

The appointment of KPMG as auditors was made by the Council of Governors in accordance with Monitor guidance. The value of external audit services (excluding the review of the charitable funds accounts) is £79,040 excluding VAT.

On occasion the Trust may decide to request additional services from the external auditor. The Council of Governors delegated specific authority for commissioning additional services to the Trust's Audit Committee, subject to an overall policy cap on directly attributable fees which should not exceed 50% in aggregate of the approved annual statutory audit fee in any twelve month period. This would be on the understanding that the Audit Committee takes responsibility for agreeing any specific areas of additional work to be undertaken and, in doing so, considers whether the external auditor or any other organisation is best placed to provide the service i.e. based on relevant experience, expertise in that particular area and value for money.

The Trust did not commission any non-audit services from its external auditor during 2019/20.

Internal Audit

Internal Audit services are provided by Price Waterhouse Cooper (PwC)

The Audit committee receive and approve the internal audit plan and through the course of the financial year receive regular reports on progress against the plan, accompanied by detailed reports providing the findings, recommendations and actions agreed following the audits agreed

in the plan. The plan provides evidence to support the Head of Internal Audit's opinion which in turn informs the Annual Governance Statement (page 73).

In 2019, PwC were reappointed for a two year term with the option for two one year rollover periods.

The purpose of the Audit Committee is to provide independent assurance to the Board that there are effective systems of governance, risk management and internal control for all matters relating to corporate and financial governance and risk management within the FT and iFM Bolton

A key aspect of the Audit Committee's work is to consider significant issues in relation to financial statements and compliance. As part of the preparation for the audit of financial statements, our external auditor KPMG undertook a risk assessment and identified risks as laid out in the table below:

Issues	**Mitigation**
Valuation of land and buildings	Review of revaluation basis Work to understand the basis upon which impairments to land and buildings have been calculated Assessment of the competence, capability, independence and objectivity of the Trust's independent valuer Testing of the accuracy of the information provided to the valuer.
Recognition of NHS and Non NHS income and associated fraud risk	Comparison of income against block contracts including checking validity of variations. Participation in the Agreement of Balances exercise with other NHS organisations Testing of the completeness, existence and accuracy of the balances recorded within the financial statements Fraudulent revenue recognition
Fraud risk from management override of controls	Testing of entries that are outside the Trust's normal course of business or are otherwise unusual Audit testing of controls over journal entries and post-closing adjustments External Audit review of register of interests and disclosure of any related party transactions Consideration of accounting judgements
Fraudulent expenditure recognition	Review of material items of expenditure in March and April 2020 bank statements Accruals testing – year on year comparison Sample testing of non-pay expenditure Agreement of balances exercise

Code of Governance Disclosures

In addition to the review of financial statements, other key activities during the period April 1st 2019 and March 31st 2020 were:

- Consideration of the Going Concern report prior to approval by the Board of Directors.
- Receiving reports from the internal and external auditors and providing oversight to ensure agreed recommendations are addressed.
- Reviewing the Board Assurance Framework and Risk Register - in addition to receiving the Board Assurance Framework the committee workplan scheduled a detailed focus on specific areas of the BAF, with the lead director required to attend the meeting to provide additional assurance that the risks to the Trust's strategic objectives are managed with mitigations in place.
- Receiving regular reports from the local counter fraud specialist to provide assurance of the on-going development of an anti-fraud culture and specific actions taken in relation to concerns raised both internally and through national fraud awareness initiatives.
- Reviewing compliance with the Code of Governance.
- Receiving and providing oversight of regular reports on losses, waivers and variations.

Code of Governance Disclosures

Membership

Membership strategy

We are committed to building a membership that is representative of and reflects the local communities we serve in terms of disability, age, gender, socio-economics, sexuality, ethnic background and faith. Through our members, we can really get to know what the public wants and, more importantly, act on that as our services evolve.

Public members

Membership of the Trust is open to anyone who resides in England although we would expect the majority of our members to reside in Bolton and the surrounding areas of Salford, Wigan, Bury and South Lancashire. There is a lower age limit of 14 but no upper age limit. There are no limits on the number of people who can register as members.

Public members are placed in constituencies based on the three Bolton Parliamentary constituencies with a forth area of the constituency for "out of area" members.

Staff members

We have an opt out arrangement in respect of staff membership. Under this arrangement, staff will automatically be registered as a member of the Trust unless they have completed an opt out The form which was circulated with payslips prior to authorisation as a Foundation Trust is available to new staff members at induction or from the Membership Office.

Staff membership is open to everyone who is employed by the Trust full or part time. Staff working for the Trust's subsidiary company iFM Bolton are also eligible for staff membership. Staff membership ceases at the point that the member leaves the service of the Trust, but individuals can then choose to become a public member.

Benefits of membership

Although there are no financial benefits to FT membership, there are also no costs. There is, however, much satisfaction in being in a position which can help local people and local services. There are no benefits to members in terms of access to services.

We will use our members as a valuable resource calling on those who have expressed a willingness to participate in surveys and focus groups to gain a snapshot view of the user's perspective.

Membership recruitment

We aim to continue recruiting new members and are using a variety of methods to ensure we reach as many people as possible. People wishing to join can do so by registering online at www.boltonft.nhs.uk or by calling 01204 390654. Alternatively application forms are available throughout the hospital.

Contact procedures for members that wish to communicate with Governors and/or Directors

Members who wish to communicate with Governors or Directors may do so by email to esther.steel@boltonft.nhs.uk or by post c/o the Director of Corporate Governance.

Membership Statistics

Public Constituency	
At year start (1 April 2019)	4705
At year end (31 March 2020)	4891
Staff Constituency	
At year start (1 April 2019)	5569
At year end (31 March 2020)	5765

Analysis of current public membership

Public Constituency	Number of members	Eligible membership
Age		
0 - 16	1	4,721
17- 22	215	16,158
22+	4,432	205,939
Not known	243	
Ethnicity		
White	3175	226,645
Mixed	45	4,892
Asian or Asian British	611	38,749
Black or Black British	116	4,652
Other	85	1,848
Not known	859	
Gender		
Male	1,706	142,464
Female	3,075	144,803
Not known	110	
Socio-economic groupings:		
AB	1,141	21,116
C1	1,352	35,571
C2	1,072	25,308
DE	1,294	38,999

NHS Improvement's Single Oversight Framework

NHS Improvement's Single 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.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place.

Segmentation

Bolton NHS Foundation has been assessed as **segment 2**

This segmentation information is the trust's position as at 13th April 2019. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	**Metric**	**2019/20**				**2018/19**			
		Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Financial sustainability	Capital service capacity	4	4	4	4	1	2	3	4
	Liquidity	1	1	1	1	1	2	2	2
Financial efficiency	I & E Margin	2	4	4	4	1	1	2	3
Financial controls	Distance from financial plan	4	4	4	4	1	2	2	2
	Agency spend	2	2	3	3	3	3	3	3
Overall score		3	3	3	3	1	1	2	2

Statement of Accounting Officer's Responsibilities

The National Health Service Act 2006 (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 Bolton 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 Bolton NHS Foundation Trust and of its income and expenditure, items of other 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 Group Reporting Manual and the NHS Foundation Trust Annual Reporting 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
- Prepare the Group 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

Fiona Noden

Chief Executive, Date 23 June 2020

Annual Governance Statement

This statement was written during the April 2020 Covid-19 pandemic – it describes our system of internal control during normal operation – where possible the structure described within this document will continue as usual for the duration of the pandemic but many of the committees described have run virtually with reduced agendas. Our aim is to continue to deliver a robust system of internal control whilst accepting that for many members of our senior teams operational pressures may need to take precedent.

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Bolton 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 Bolton NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership

As Accounting Officer I Chair the Risk Management Committee and have overall accountability for internal control. To support this role there are clear systems of accountability within the organisation with each Executive Director having specific areas of responsibility

The **Risk Management Policy** sets out details of the risk management structure and key risk manager roles. The role of the Board and Standing Committees is detailed, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk.

We have an established committee structure that provides the mechanisms for managing and monitoring clinical, operational, financial and information governance risks throughout the Trust. This committee structure extends to our wholly owned subsidiary iFM Bolton which has reporting lines into our key committees.

The Audit Committee oversees the systems of internal control and overall assurance process associated with managing risk.

The Executive team is supported by a divisional management structure consisting of five clinical divisions. Each division is led by a triumvirate team consisting of a Divisional Director of

Operations, a Divisional Medical Director and a Divisional Director of Nursing. Each of the Clinical Divisions provides a detailed quarterly report to the Quality Assurance Committee.

Performance monitoring

The integrated performance report provides comprehensive information to the Board of Directors, its sub-committees and to the divisions. The report includes a ward to board heat map to provide ward level information. Operational focus on organisational performance is conducted through the monthly Executive led Integrated Performance Meetings, holding each Division to account for their performance. The structure and content of the Board performance report was reviewed and a new format report was introduced in January 2020 using Statistical Process Control (SPC) charts to plot data over time and highlight variation.

The Quality Assurance (QA) Committee monitors the performance dashboard to provide assurance to the Board. Where concerns are identified using the heat map the QA Committee may seek further assurance that the issues are being managed and may at the discretion of the Chair escalate any concerns to the Board to ensure that the Board as a whole are appraised of and have the opportunity to challenge the planned actions.

Training

To ensure the successful implementation of the Risk Management Policy, all staff are provided with appropriate training opportunities in carrying out risk assessments and the reporting of incidents. The on-going programme of training within the Trust includes: Health and Safety, risk register training, fire safety training, manual handling, safeguarding training, major incident training and conflict resolution training.

Medicine management training is delivered at doctors' induction programmes and during educational and developmental sessions. Support and advice on medicine management is also provided at ward and departmental level by the Chief Pharmacist and link pharmacists.

Risks and safety in respect of clinical equipment and devices are discussed and disseminated by the Medical Devices and Equipment Management Committee. All divisions are represented on this committee which also has a training sub group and each ward has a link nurse.

General awareness raising on risk management issues is achieved through staff briefings, team brief, safety bulletins, induction and the intranet.

The Executive Team and the Board of Directors monitor management capability, (leadership, knowledgeable and skilled staff, adequate financial and physical resources), to ensure the processes and internal controls work effectively.

The risk and control framework

Principal Risks

We published a new five year strategy in 2019 and alongside developing the strategy considered the potential risks and issues that could impact on the delivery of this strategy.

During 2019/20, the most significant risks included:

- Maintaining workforce capacity and capability and supporting the processes to deliver safe and effective care to our patients
- Delivery of the financial plan, including compliance with the agency cap
- Supporting the Urgent Care System

We have put in place controls and action plans to mitigate these risks and issues; these are described in the Board Assurance Framework (see below).

Risk management in the trust

Risk management is recognised as a fundamental part of our culture, and an integral part of good practice. It is integrated into our philosophy, practices and business plans. Risk management is the business of everyone in the organisation.

Our **risk assessment** process, investigating incidents, complaints and claims procedures are the principal sources of risk identification. The risk assessment process identifies the criteria for risk scoring both likelihood and consequence on a scale of 1 to 5, with the highest risk being accorded a score of 25 (5x5). The risk assessment process also requires an appropriate risk management plan.

The risk assessment process clearly states the escalation process for monitoring, management and mitigation of risk according to overall likelihood and consequence. The risk assessment process is applied to all types of risk, clinical, financial, operational, capital, and strategic.

Our **Risk Register** procedure requires divisions to maintain and monitor their own Risk Registers. All risks with a score rating of 12 or above are reviewed by the Risk Management Committee. Risk Register "clinics" are available to support managers in the development and management of risk registers.

All business cases have to be supported with a risk assessment. The scored risk rating strongly influences priorities within the Trust Capital Programme. All projects aimed at improving efficiency are accompanied by a quality impact assessment (QIA) this is overseen by the Director of Nursing, Midwifery & AHPs and the Medical Director as a safeguard to ensure that savings are not achieved at the cost of safety or quality

The **Board assurance framework (BAF)** was in place for the period 1st April 2019 – 31st March 2020

The BAF identifies Bolton NHS Foundation Trust's principal objectives and their associated principal risks and is developed in consultation with the Executive Team. The control systems which are used to manage these risks are identified together with the evidence for assurance that these are effective. Lead Directors are identified to deal with gaps in control and assurance and are responsible for developing action plans to address the gaps.

The BAF includes a description of risk appetite for each risk to the achievement of operational objectives and additional background information including links to associated risks on the risk register and tracking the score of the risk over time. In February 2020, the Board reviewed their risk appetite for each of the strategic objectives.

The Board receive a monthly update on the BAF within the Chief Executive's report. This update highlights any changes to risks and ensures a continued focus on the risks to the achievement of the overall strategy.

The Board ensures effective communication and consultation at all levels within the organisation and with external stakeholders. We engage with our main commissioner (Bolton CCG) in contract review meetings and through Joint Leadership meetings. A representative of Bolton CCG Group also has a seat on our Quality Assurance Committee. We engage with other key stakeholders at various forums including but not limited to, Council of Governor Meetings, Overview and Scrutiny Committee and Healthwatch. These meetings provide an opportunity for risk related issues to be raised and discussed.

Risk Appetite

When approving the Board Assurance Framework the Board agree their risk appetite for each of the strategic goals of the organisation

- Risk averse to risks that affect the quality of care and the experience of every person accessing our services
- We will not knowingly take decisions to reduce safety or ignore safety issues
- We will not tolerate failure in basic standards of compliance which could compromise licence conditions
- We have an appetite for developing partnerships but will not enter into partnerships that convene our statutory duty as an NHS Foundation Trust.

Well Led Framework

The Well Led Framework was developed as an assessment tool for Trusts to use to benchmark their arrangements for effective leadership and quality governance in four categories:

- Strategy and planning
- Capabilities and culture
- Structure and processes
- Measurement

In 2017, we commissioned an external review using the Well Led Framework, this provided assurance that a strong framework is in place.

In January 2019, the Care Quality Commission (CQC) assessed us as "outstanding" with regard to providing services that are well led.

Strategy and planning - Quality is embedded in our overall strategy, the safety and effectiveness of care and the experience of patients are at the heart of all that we do. During 2018/19 we commenced a programme of work to review our five year strategy; this was initiated at a Board workshop and has included engagement with internal and external stakeholders to agree the vision and ambition for the Trust for 2019 -2024

Capabilities and Culture - The Board is assured that quality governance is subject to rigorous challenge with full NED engagement in the Audit Committee and NED involvement in the assurance providing committees.

Structure and process- The Corporate Governance Structure is in place to ensure clarity of reporting between wards and departments and the Board and between the Board and its supporting committees. Integrated Performance Meetings ensure clear routes of escalation to the Executive team.

The Trust has clear processes in place for:

- Clinical incident and accident policy
- Raising concerns (Whistle blowing)
- Complaints
- Management of SIs

Action plans are put in place to address issues arising from these processes.

Performance information – The Integrated Performance report provides a clear dashboard and high level apex report for the Board of Directors and Council of Governors with full reports reviewed in the Board sub committees and at the Integrated Performance Meeting. We recognise the importance of regularly reviewing the information provided to the Board and during quarter four we reviewed and revised the report to enhance the information and assurance provided.

The foundation trust is fully compliant with the registration requirements of the **Care Quality Commission.** Assurance is obtained on compliance with CQC registration requirements and the fundamental standards to provide care that is safe, effective, caring, responsive and well led through the following mechanisms:

- The CQC conducted a full inspection in December 2018 and gave the Trust an overall rating of Good with an Outstanding rating for Well Led and rated us Outstanding for caring within medical and older peoples' services.
- Divisional reports to the Quality Assurance Committee have been framed around the domains and standards set by the CQC.
- We have an established internal accreditation scheme for wards and departments. The Bolton System of Care Accreditation (BOSCA) review is now well embedded and provides an evidence based framework for quality improvement.

Compliance with the NHS foundation trust condition 4 (FT governance)

To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 (8) b the Board of Directors receives an annual assurance statement and associated evidence. As outlined elsewhere in this statement and within the annual report, a review using the Well Led Framework was undertaken in 2017. The feedback provided further assurance with regard to our governance arrangements and identified good practice in risk management stating that the Board were well sighted in risks and committees operate well with good debate and clear escalation, accountability and delegation.

The CQC Well Led Review provided assurance that previous potential risks to compliance with condition four of the NHS provider licence have been effectively mitigated through the processes described within this statement.

Workforce Strategies and Safeguards

The Trust Board approved a Workforce & Organisational Development Strategy, which identifies our Workforce priorities for the next three years. The Strategy focuses on the following four priorities for action: - Health organisational culture, Sustainable Workforce, Capable workforce, Effective leadership and managers. The Workforce Assurance Committee is the sub-board committee that is charged with overseeing implementation of the strategy with updates being provided to the Board of Directors. Furthermore the Workforce Assurance Committee ratifies our Workforce Plans on an annual basis (agreed by both the Director of Nursing and Medical Director). The Board sees a monthly performance report against key workforce metrics (including staffing levels).

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 NHS" guidance. The register of interests is reviewed on a regular basis by the Audit Committee.

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 undertaken risk assessments and is developing a sustainable development management plan to take account of UK Climate Projections 2018 (UKCP18) and ensure that obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources
We regularly review the economic, efficient and effective use of resources with robust arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include:

- Ensuring the financial strategy is affordable
- Scrutiny of cost savings plans
- Co-ordination of individual and departmental objectives with corporate objectives.
- Model Hospital metrics provide assurance that the we benchmark well for effective and efficient use of resources, this was reflected in a rating of Good following the NHSI Use of Resources review in November 2018.
- Performance against objectives is monitored and actions identified through a number of channels:
- Approval of the annual budgets by the Board of Directors
- At Executive Director meetings
- Bi-monthly reporting to the Council of Governors
- Monthly reporting to the Board of Directors and the Executive Team on key performance indicators
- Integrated Performance Monitoring meetings to hold divisions to account for performance against quality, operational and financial objectives.
- Monthly review of financial targets by the Finance & Investment Committee
- Procurement of goods and services is undertaken thorough professional procurement staff and through working with neighbouring organisations within a procurement hub.
- In year cost pressures are rigorously reviewed and challenged, and alternatives for avoiding cost pressures are always considered

Assurance is provided by:
The Head of Internal Audit meets regularly with the Director of Finance and the Chair of the Audit Committee to review progress against the plan and to ensure the plan remains tailored to our needs.
The Head of Internal Audit opinion is that the Trust has "generally satisfactory systems and controls in relation to business critical areas however there are some areas of weakness and non-compliance which potentially put the achievement of objectives at risk.

Limitations in scope of internal Audit opinion

In light of the COVID 19 outbreak and latest government guidance it was agreed that not all of the planned reviews would take place, specifically the IT Strategy review and the IT service resilience & disaster recovery.

Although these reviews have not taken place the Internal Auditor felt sufficient work had been undertaken during the year to provide evidence in support of the areas upon which they are required to provide an opinion, although it should be noted that had these other reviews taken place additional findings may have been identified which may have affected the internal audit opinion.

The following table summarises the internal audit reports received during 2019/20, actions have been agreed to address the recommendations identified within these reports with the higher risk findings treated as a priority.

Report	Risk rated
Board Assurance Framework	Low
Quality Governance – Learning from Deaths	Medium
Key Financial Controls	Low
Budgetary Controls	Low
Capital assets/accounting	Low
Information Governance	advisory
Division/ward visits – cleaning	High
Cost improvement plans	Low
Workforce and OD	Low
Charitable Fund	High

All internal audit reports are shared with the Audit Committee and where a report is high risk the lead executive is required to attend the meeting to explain the findings and planned actions.

Information governance and Data Security

During 2019/20, we reported one data security incident relating to the inappropriate release of one patients information.

We recognise the importance of data security and have measures in place to reduce the risks from cyber-attacks including ransomware and computer viruses.

We have encrypted all laptops and desktop computers. Centralised storage has been rolled out across the Trust to ensure that all critical and sensitive data is held securely, not on local equipment. All portable devices such as memory sticks that may be required for PCs and laptops have enforced encryption.

Email encryption software has been procured which allows the encryption of emails containing sensitive information. An Email & Internet Access Policy has been approved to reflect the capabilities that new security applications now give the Trust. Staff have been reminded that email must not be used to send personally identifiable data, unless it is encrypted or NHSmail is used and messages remain within the NHS.

We recognise the information governance risks relating to the use of tablet devices and "cloud sharing" and have purchased software to support and protect information processed on these devices.

Data Quality and Governance

Governance and Leadership

In producing the Quality Account 2019/20, we have identified key areas for improvement of patient safety, clinical effectiveness and experience. To ensure a balanced view, the Board worked with Governors and other internal and external stakeholders to select the priorities on which the Trust will be reporting in 2019/20.

In developing the report, consideration has been given to the comments made by internal and external stakeholders including our partner organisations and the External Auditors on previous reports.

Policies and plans

In 2018 the Board approved a new overarching quality strategy with supporting strategies for the reduction of harm from falls and pressure ulcers. The launch of these policies provided an opportunity to re-engage with staff across the organisation on the importance of zero tolerance of harm. Results reported in our quality account provide evidence that these strategies have been effective with significant reductions in patient harm reported.

Data use and reporting

We have used existing performance management arrangements to track progress throughout the year on the targets selected and have provided a quarterly update to the QA Committee on each priority. Data accuracy remains a key priority for the Trust; the implementation of a full EPR system commenced in October 2019 and roll out has been completed to the majority of areas in the Trust.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the 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 and the audit committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Maintaining and reviewing the system of internal control

The Board

The Chief Executive and Board of Directors have overall responsibility for the system of internal control.

The Audit Committee

This Committee acts independently from the Executive, to provide assurance to the Board, based on a challenge of evidence and assurance obtained, that the interests of the Trust are properly protected in relation to financial reporting and internal control. It keeps under review the effectiveness of the system of internal control; that is the systems established to identify, assess,

manage and monitor risks both financial and otherwise, and to ensure the Trust complies with all aspects of the law, relevant regulation and good practice.
This Committee reports to the Board any matters in respect of which the Committee considers that action or improvement is needed, and makes recommendations as to the steps to be taken.

The Quality Assurance Committee
This Committee provides the Board with an independent and objective review in relation to:

- All aspects of quality, specifically: clinical effectiveness, patient experience and patient safety; monitoring compliance against the essential standards of quality and safety set out in the registration requirements of the Care Quality Commission
- Governance processes for driving and monitoring the delivery of high quality, clinically safe, patient-centred care
- Performance against internal and external quality and clinical improvement targets, and directing management on actions to be taken on sub-standard performance
- The overarching Quality Strategy
- Assurance on safeguarding quality and to provide appropriate scrutiny to clinical effectiveness, patient safety and patient experience
- Assurance (positive and negative) derived from clinical audits is reported through the Clinical Governance committee to the Quality Assurance Committee.
- Sign off all Serious Incident reports on behalf of the Board of Directors

The Finance and Investment Committee
This Committee provides the Board with an objective review of, and assurances, in relation to:

- Finance, contracting and commissioning issues; presenting reports and recommendations in relation to ensuring we maintain cash liquidity and are an effective going concern
- Financial governance processes
- Business cases referred to it by the Capital & Revenue Investment Group requiring major capital investment
- Reviewing and challenging budgets
- Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope
- The Executive Team has responsibility for the development and maintenance of the system of internal control and the outputs from its work provide me with assurance.
- The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

Workforce Assurance Committee
The Workforce Assurance Committee provides the Board with line of sight on workforce related issues. Key duties of the Committee include:

- Developing and overseeing implementation of the Trust's People Strategy and providing assurance to the Board of Directors that this is being delivered in line with the annual planning process
- Approving, monitoring and reviewing policies, procedures and guidance documents relating to the management of the Trust's workforce
- Monitoring and reviewing workforce key performance indicators to ensure achievement of our strategic aims and escalate any issues to the Board of Directors
- Oversight of staff engagement levels as evidenced by the results of the national and any other staff surveys
- Seeking assurance to ensure that we fulfil all legislative and regulatory requirements pertaining to workforce and organisational development issues, including but not limited to equality diversity and inclusion.

Strategic Estates Board

The Strategic Estates Board was established to oversee the management and delivery of the Estates Strategy.

Duties of the Strategic Estates Board include:

- Receive assurance on the delivery of the Estates Masterplan in line with the Royal Institute of British Architects (RIBA) stages and within the defined parameters of time, cost, quality and specification.
- Ensure the cost implications of the programme are fully set out within robust financial plans and that it remains within the Trust's overall affordability.
- Ensure there is an effective risk management system in place and that regular reports on the risks and issues are effectively acted upon.
- Ensure there are mechanisms in place to minimise the impact of developments on the day-to-day operation of the Trust, its staff, patients and visitors.
- Ensure that all development proposals meet the highest possible standards of design in respect of clinical use, patient and staff environment and architectural quality.

The Risk Management Committee

This Committee provides the Board with an objective review of, in relation to: -

- Risk governance, the risk management frameworks and the promotion of behaviours and cultures that drive approaches to risk management.
- The systems of internal control in relation to governance and risk management, in that these are fit for purpose, adequately resourced and underpin the Trusts performance and reputation
- The overall risk governance process in that it gives clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure

Health and Safety Committee

The Trust and iFM Bolton (iFM) currently share responsibility for and work collaboratively to ensure that that staff, visitors, patients and contractors are kept safe whilst on Trust premises. The Trust and iFM share a monthly Group Health & Safety Committee which has dual reporting

responsibilities to the Trust (Risk Management Committee) and iFM (Risk Management Committee).
The Trust and iFM are committed to driving H&S quality improvement through the Group Health & Safety Committee by reviewing H&S audit intelligence and ensuring that notable H&S risks are resolved or duly escalated to the Risk Management Committee. The Trust and iFM are fully committed to continuously understanding the fine detail of collaborative relationship in respect of H&S and increasing the appreciation of the H&S challenges the organisation faces mindful of relevant legislation and regulation.'

Significant Internal Control Issues
We identified the following internal control issues during 2019/20. These have been or are being addressed through the mechanisms described in this statement.

Never Events
There were two never events declared in 2019/20. One of these was in relation to a retained foreign object (pack left in situ after gynaecology procedure). The other was in relation to a wrong site block (nerve block injected into incorrect finger). Both incidents have been subject to robust investigation and the development of action plans to prevent re-occurrence.

Conclusion
We have continued to make significant improvements to the system of internal control; the CQC rating of outstanding for the Well Led domain provides assurance of the progress made to embed quality and good governance. There are however some areas where further improvement is required.
Although I assumed the post of Chief Executive Officer on 1st April 2020 so was not the Accountable Officer for the year reported I am assured by my Executive colleagues that the systems of control are as described within this report.

Fiona Noden
Chief Executive Date: 23 June 2020

Independent auditor's report

to the Council of Governors of Bolton NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

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

In our opinion:

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

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

Basis for opinion

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

Overview		
Materiality: Group financial statements as a whole	£6.0m (2019:£6.0m) 1.65% (2019: 1.71%) of operating income	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of land and building assets	◄►
	Recognition of income from patient care activities	◄►
	New: Expenditure recognition	▲

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

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

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
Valuation of Land and Buildings 2019/20: £85.9 million; 2018/19: £83.5 million (net book values) *Refer to page 55 (Audit Committee Report), Note 1.9 (accounting policy) and Note 22 (financial disclosures)*	**Subjective valuation** Land and buildings are initially recognised at cost. Non-specialised property assets in operational use are subsequently recognised at current value in existing use (EUV). Specialised assets (such as hospitals) where a market value is not readily ascertainable, are subsequently recognised at the depreciated replacement cost of a modern equivalent asset that has the same service potential as the existing property (DRC). A review is carried out each year to test assets for potential impairment or revaluation. The Trust's accounting policy requires an annual review for impairment, a periodic desk top valuation (at least every three years) and a full valuation (usually in five yearly intervals). The last full valuation was in 2016/17 (as at 31 March 2017). The valuation is undertaken by an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required. Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied. In 2019/20, the Trust commissioned a desktop valuation from an external valuer as at 31 March 2020. As a result, the net book value of land and buildings assets was revised to £85.9 million. In addition, the Trust has performed a review of impairment indicators across the Trust's estate. Given the materiality and the judgement involved in determining the carrying amounts of land and buildings, this has been identified as a key audit risk. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note this uncertainty.	Our procedures included: — **Assessing valuer's credentials:** We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the Department of Health Group Accounting Manual 2019/20. — **Methodology choice:** We critically assessed the appropriateness of the valuation bases and assumptions, including the 'alternative' site basis used at the Trust. We also assessed the appropriateness of valuation excluding VAT in the context of the Trust's circumstances, governance arrangements and formal decisions; — **Test of detail:** We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken. — **Accounting analysis:** We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the Department of Health Group Accounting Manual 2019/20, supplemented by additional guidance issued by NHS Improvement in April 2020. — **Assessing transparency:** We considered the adequacy of the disclosures about the key judgements and degree of estimation involved in the valuation of land and buildings. Specifically, we also considered the adequacy of disclosures made around the uncertainty caused by the Covid-19 pandemic on market data used to underpin the valuer's assumptions, and management's consideration of these factors when arriving at the year-end valuation figures.

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

	The risk	Our response
Recognition of income from patient care activities Income from patient care activities (£326.2 million; 2018/19: £310.1 million) *Refer to page 55 (Audit Committee Report), Note 1.4 (accounting policy) and Note 3 (financial disclosures).*	**Subjective estimate** The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements. Mis-matches can occur for a number of reasons, but the most significant arise where: — the Trust and Commissioners record different accruals for completed periods of healthcare which have not yet been invoiced; or — income relating to partially completed period of healthcare is apportioned across the financial years and the Commissioners and the Trust make different apportionment assumptions. Where there is a lack of agreement, mis-matches can also be classified as formal disputes as set out in the relevant contract.	Our procedures included: — **Test of detail:** We compared the actual income for the Trust's most significant commissioners against the block contracts agreed at the start of the year and checked the validity of any significant variations between the actual income and the contract via agreement to appropriate third party confirmations; — **Test of detail:** We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income from Commissioners; — **Test of detail:** We considered the impact of any identified audit adjustments on the delivery of the Trust's control total and reconciled the year-end performance to the original plan to understand any deviations.

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

	The risk	Our response
Expenditure recognition Other Expenditure (excluding staff and executive directors costs) (£102.6 million; 2018/19: £104.5 million) *Refer to page 55 (Audit Committee Report), note 1.7, (accounting policy) and note 9 (financial disclosures)*	**Effects of irregularities** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of non-pay expenditure, including accrued non-pay expenditure at year-end.	Our procedures included: – **Test of detail:** We agreed a sample of non-pay expenditure transactions to supporting documentation to confirm the existence and accuracy of costs recorded, and that they were recorded in the correct period; – **Test of detail:** We agreed a sample of individual accruals to supporting documentation to confirm the method of calculation and to confirm inclusion in the correct period; – **Test of detail:** We agreed a sample of expenditure transactions posted before and after the year end to supporting documentation to confirm inclusion in the correct period, to identify if there were any unrecorded liabilities that should have been accounted for in the 2019/20 financial statements, and to critically assess whether any manual adjustments to expenditure were appropriate; – **Test of detail:** We agreed a sample of other creditor balances to supporting documentation and post year-end cash payments to agree the correct treatment as a payable at year-end; and – **Test of detail:** We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure to other providers and other bodies within the AoB boundary.

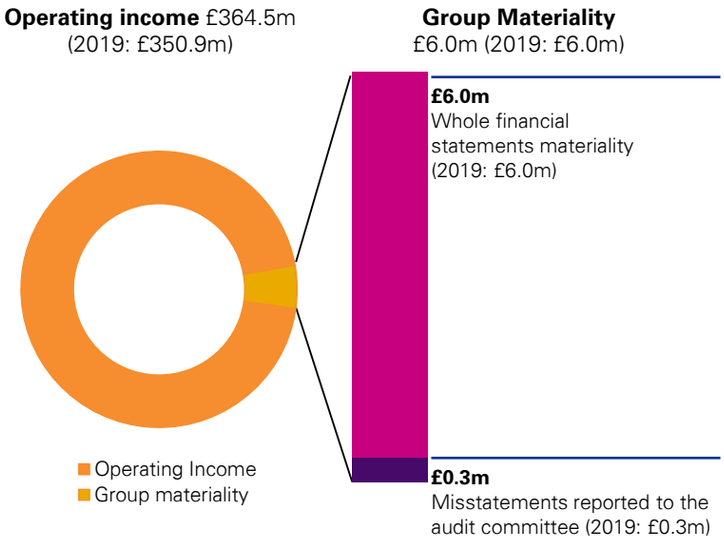
3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £6.0 million (2019: £6.0 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.65%) (2019: 1.71%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £5.95 million (2019: £5.95 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.62%) (2019: 1.68%).

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

Of the group's two (2019: two) reporting components, we subjected two (2019: two) to full scope audits for group purposes. The components within the scope of our work accounted for 100% of group income, 100% of the surplus for the year and 100% of total assets.



4. We have nothing to report on going concern

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

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

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

The risk that we considered most likely to adversely affect the Group's and Trust's available financial resources over this period was the availability and extent of temporary revenue and capital support from DHSC, if this was required to enable them to meet their liabilities.

This is in the context of changes to the cash and capital regime published by DHSC in April 2020 alongside revised arrangements for NHS contracting and payment applicable for part of the 2020/21 financial year and published in March and May 2020.

As these were risks that could potentially cast significant doubt on the Group's and Trust's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's and Trust's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Accounting Officer consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement on page 60 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

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

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

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

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

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

Remuneration report

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

Corporate governance disclosures

We are required to report to you if:

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

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

Corporate governance disclosures (continued)

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

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 60, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

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

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

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

We have nothing to report in these respects.

Our conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Bolton NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020.

Basis for qualified conclusion

In 2019/20, the Trust delivered a total deficit before non-recurrent support funding of £12.8 million, which was £16.0 million worse than plan. This was driven by underperformance on Income and Cost Improvement Programmes (ICIPs) of £6.3 million, as well as other pay and non-pay expenditure overspends.

While actions were taken during the year to react to the financial performance and position of the Trust, as outlined in the Trust's Financial Recovery Plan developed in September 2019, the low value of fully-developed ICIP schemes early in 2019/20 and resultant variance between actual outturn and the original control total are evidence of weakness in management arrangements during the period to deliver sustainable resource deployment.

Additionally, the current financial forecasts for 2020/21 indicate a forecast deficit of £16.0 million, including ICIP savings of £5.0 million, although planning for 2020/21 has been paused and no control total has yet been agreed. Current plans for 2020/21 do not indicate any interim revenue support or working capital support funding.

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

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

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

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

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

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

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

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

The significant risk identified during our risk assessment is set out below together with the findings from the work we carried out on this area.

Significant Risk	Description	Work carried out and judgements
Sustainable resource deployment – Financial performance and delivery of ICIPs	At month 9 the Trust reported a year-to-date operating deficit of £3.6 million against a planned £3.6 million surplus at this stage of the year. The key drivers of this are both underperformance on planned income from patient care activities (accounting for £3.9 million of this shortfall), and increased employee expenses of £6.4 million in the year to date (offset by an increase in other operating income of £2.6 million). At the start of the year, the Trust had planned ICIP savings for months 1 to 9 of £8.7 million, of which £5.8 million had been delivered during that time. The full year plan totals £15.5 million of efficiencies, but actual full-year savings were only forecast to be £11.9 million, of which £8.7 million was forecast to be recurrent. There was therefore a significant risk at the time of our planning that the Trust would deliver a deficit for 2019/20 that varied significantly from the agreed control total.	Our work included: — Comparing planned financial performance with actual at month 9 and at month 12 to understand the drivers of underperformance against control total / planned surplus; — Considering what work was done to react to in-year pressures and issues and whether other actions have been identified that could have been taken to mitigate underperformance against control total during the year; — Reviewing the process by which ICIPs were identified for 2019/20, and how these have been tracked and monitored. This includes the challenge both on delivery of identified schemes but also the challenge in place around deliverability and feasibility at the time of identifying ICIP schemes; and — Reviewing the information provided to Board and to Finance Committee to determine whether these bodies are able to make informed decisions and exercise effective challenge. **Our findings on this risk area:** The 2019/20 financial plan included total ICIP schemes of £15.6m, which were provided along with risk ratings. Of this £15.6m target, £11.0m was indicated to be high risk, £3.4m was medium risk and £1.2m deemed to be low risk. Therefore at the outset of planning for 2019/20, there was a significant level of risk around achievement of this £15.6m target. £3.8m of schemes had associated fully developed plans, £2.2m had plans in progress, £9.2m was listed as a savings 'opportunity', and £0.3m was not yet identified. By the end of Quarter 4, the Trust had delivered a total deficit before non-recurrent sustainability funding of £12.8m, which was £16.0m worse than plan. The reasons given for this variance against plan were: ICIPs off track by £6.3m; Income underperformance against plan of net £4.5m; and Non-pay expenditure being worse than plan by £7.5m, plus pay overspending of net £8.9m. Reporting on the Trust's financial performance and position during the year to Finance and Investment Committee and the Trust Board was robust, transparent and comprehensive. A financial recovery plan was developed and provided to NHSI in September 2019 which included best-, mid- and worst-case financial outturns for 2019/20. The Trust's performance in quarters 3 and 4 broadly tracked the 'mid-case' within the financial recovery plan, but was some way from the best-case scenario. While actions were taken during the year to react to the financial performance and position of the Trust, the low value of fully-developed ICIP schemes and resultant variance between actual outturn and the original control total are evidence of weakness in management arrangements during the period to deliver sustainable resource deployment. Additionally, the current financial forecasts for 2020/21 indicate a forecast deficit of £16.0m, including ICIP savings of £5.0m, although planning for 2020/21 has been paused and no control total has yet been agreed.

Bolton NHS Foundation Trust

Annual accounts for the year ended 31 March 2020

BOLTON NHS FOUNDATION TRUST - ANNUAL ACCOUNTS 2019/20

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2020 have been prepared by Bolton NHS Foundation Trust under Schedule 7, sections 24 and 25, of the National Health Service Act 2006.

Fiona Noden

Chief Executive 23 June 2020

Consolidated Statement of Comprehensive Income

		Group	
		2019/20	2018/19
	Note	£000	£000
Operating income from patient care activities	3	326,162	310,115
Other operating income	4	38,145	40,636
Operating expenses	9, 11	(366,588)	(341,377)
Operating surplus/(deficit) from continuing operations		**(2,281)**	**9,374**
Finance income	17	175	109
Finance expenses	18	(1,048)	(883)
Public dividend capital (PDC) dividends payable		(2,053)	(2,271)
Net finance costs		**(2,926)**	**(3,045)**
Other gains / (losses)	19	(1)	(3)
Corporation tax expense	20	3,107	-
Surplus / (deficit) for the year		**(2,101)**	**6,326**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	10	(1,271)	(1,011)
Revaluations	24	2,566	1,622
Total comprehensive income / (expense) for the period		**(806)**	**6,937**

The Trust's surplus on continuing operations for 2019/20 includes impairments totalling £2,638k. The annual operating expenses figure used by NHSI in its Use of Resources ratio calculation excludes such impairments. Excluding net impairments from the operating position in line with this definition would result in a year end surplus of £537k.

Statements of Financial Position

	Note	Group 31 March 2020 £000	Group 31 March 2019 £000	Trust 31 March 2020 £000	Trust 31 March 2019 £000
Non-current assets					
Intangible assets	21	15,521	10,807	15,513	10,807
Property, plant and equipment	22	107,659	107,055	107,557	106,963
Investment in subsidiary	25			16,008	12,408
Loans to subsidiary	26			25,876	26,702
Receivables	28	3,356	215	194	217
Total non-current assets		**126,536**	**118,077**	**165,148**	**157,097**
Current assets					
Inventories	27	3,070	3,046	2,678	2,642
Receivables	28	27,734	28,291	27,981	28,328
Cash and cash equivalents	29	16,995	19,134	11,295	14,765
Total current assets		**47,799**	**50,471**	**41,954**	**45,735**
Current liabilities					
Trade and other payables	30	(27,096)	(26,951)	(24,040)	(23,290)
Borrowings	32	(3,587)	(2,596)	(5,256)	(4,210)
Provisions	34	(2,849)	(1,127)	(2,329)	(1,116)
Other liabilities	31	(949)	(590)	(949)	(590)
Total current liabilities		**(34,481)**	**(31,264)**	**(32,574)**	**(29,206)**
Total assets less current liabilities		**139,854**	**137,284**	**174,528**	**173,626**
Non-current liabilities					
Borrowings	32	(42,398)	(40,187)	(77,072)	(76,530)
Provisions	34	(474)	(451)	(474)	(450)
Total non-current liabilities		**(42,872)**	**(40,638)**	**(77,546)**	**(76,980)**
Total assets employed		**96,982**	**96,646**	**96,982**	**96,646**
Financed by					
Public dividend capital	38	110,082	108,940	110,082	108,940
Revaluation reserve	39	32,837	31,543	32,837	31,543
Income and expenditure reserve		(45,937)	(43,837)	(45,937)	(43,837)
Total taxpayers' equity		**96,982**	**96,646**	**96,982**	**96,646**

The notes on pages 7 to 46 form part of these accounts.

Signed .....

Name **F Noden**
Position **Chief Executive**
Date **23 June 2020**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**108,940**	**31,543**	**(43,837)**	**96,646**
Surplus/(deficit) for the year	-	-	(2,101)	**(2,101)**
Impairments	-	(1,271)	-	**(1,271)**
Revaluations	-	2,566	-	**2,566**
Transfer to retained earnings on disposal of assets	-	(1)	1	**-**
Public dividend capital received	1,142	-	-	**1,142**
Taxpayers' and others' equity at 31 March 2020	**110,082**	**32,837**	**(45,937)**	**96,982**

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**106,736**	**30,933**	**(50,164)**	**87,505**
Surplus/(deficit) for the year	**-**	**-**	6,326	**6,326**
Impairments	-	(1,011)	-	**(1,011)**
Revaluations	-	1,622	-	**1,622**
Transfer to retained earnings on disposal of assets	-	(1)	1	**-**
Public dividend capital received	2,204	-	-	**2,204**
Taxpayers' and others' equity at 31 March 2019	**108,940**	**31,543**	**(43,837)**	**96,646**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**108,940**	**31,544**	**(43,837)**	**96,647**
Surplus/(deficit) for the year	-	-	(5,701)	**(5,701)**
Share of comprehensive income from subsidiary	-	-	3,600	**3,600**
Transfer to retained earnings on disposal of assets	-	(1)	1	**-**
Taxpayers' and others' equity at 31 March 2020	**108,940**	**31,543**	**(45,937)**	**94,546**

Statement of Changes in Equity for the year ended 31 March 2019

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**106,736**	**30,933**	**(50,164)**	**87,505**
Surplus/(deficit) for the year	-	-	6,148	**6,148**
Impairments	-	(1,011)	-	**(1,011)**
Revaluations	-	1,622	-	**1,622**
Share of comprehensive income from subsidiary	-	-	179	**179**
Public dividend capital received	2,204	-	-	**2,204**
Taxpayers' and others' equity at 31 March 2019	**108,940**	**31,544**	**(43,837)**	**96,647**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

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

Statements of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		(2,281)	9,374	(2,426)	9,570
Non-cash income and expense:					
Depreciation and amortisation	9	5,435	5,100	5,423	5,095
Net impairments	10	2,638	11,488	2,638	11,488
Income recognised in respect of capital donations	4.1	(116)	(151)	(116)	(151)
(Increase) / decrease in receivables and other assets		472	(4,307)	82	(4,027)
(Increase) / decrease in inventories		(24)	13	(36)	25
Increase / (decrease) in payables and other liabilities		1,349	(2,982)	1,399	(3,416)
Increase / (decrease) in provisions		1,733	(167)	1,225	(157)
Tax (paid) / received		-	-		
Net cash flows from / (used in) operating activities		**9,206**	**18,368**	**8,189**	**18,427**
Cash flows from investing activities					
Interest received		172	114	1,107	1,065
Purchase of intangible assets		(7,181)	(4,540)	(8,173)	(5,518)
Purchase of PPE and investment property		(4,991)	(13,792)	(3,150)	(14,190)
Net cash flows from / (used in) investing activities		**(12,000)**	**(18,218)**	**(10,216)**	**(18,643)**
Cash flows from financing activities					
Public dividend capital received	38	1,142	2,204	1,142	2,204
Movement on loans from DHSC	32	3,161	12,538	3,161	12,538
Other capital receipts		-	-	798	771
Capital element of finance lease rental payments		-	-	(2,290)	(2,232)
Interest on loans		(991)	(816)	(991)	(816)
Interest paid on finance lease liabilities		(4)	(8)	(1,287)	(1,344)
PDC dividend (paid) / refunded		(1,976)	(2,331)	(1,976)	(2,331)
Cash flows from (used in) other financing activities		(677)	(673)		
Net cash flows from / (used in) financing activities		**655**	**10,914**	**(1,443)**	**8,790**
Increase / (decrease) in cash and cash equivalents		**(2,139)**	**11,064**	**(3,470)**	**8,574**
Cash and cash equivalents at 1 April - brought forward		**19,134**	**8,070**	**14,765**	**6,191**
Cash and cash equivalents at 31 March	29	**16,995**	**19,134**	**11,295**	**14,765**

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 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

Bolton NHS Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust Board has taken assurances throughout the year through the Finance and Investment Committee that plans are robust and deliverable.

In 2020/21, in response to the Covid-19 pandemic, all detailed financial planning was suspended. In addition, the requirement for Trusts to agree contracts with its commissioners was removed. Instead, Trusts are receiving regular monthly 'block' payments together with top-up payments designed to ensure that there are sufficient funds available to adequately deal with the crisis. Currently the Trust is unclear what form of contracting and payment mechanism will replace this approach, which is currently confirmed only until the end of July 2020.

DHSC has confirmed that temporary revenue support arrangements will continue, in order to support providers with demonstrable cash needs. At the point when contracting was abandoned for 2020-21 the Trust was forecasting a deficit for 2020-21. This forecast includes receipt of capital investment loans to support capital plans, but no additional working capital or revenue support as the Trust considered at the time of contracting was abandoned that it has sufficient cash balances to meet liabilities as they fall due for the foreseeable future. Current updated forecasts show that this is likely to continue to be the case, although it is not clear what alternative assumption should be considered most likely.

Providers have been told by DHSC to continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

In making their assessment, the Directors have considered the impact of Covid-19 on the Trust's future financial and operational sustainability and have not identified any events or conditions which would cast doubt over this going concern assumption.

Note 1.3 Consolidation

Subsidiaries

Integrated Facilities Management Bolton Ltd (IFM) is a wholly owned subsidiary of the Trust. Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

iFM's year end is the 31 March 2020. The accounting periods for iFM and the Trust are aligned for the 2019/20 accounting period.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter entity balances, transactions and gains / losses are eliminated in full on consolidation.

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 from NHS contracts

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.

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

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

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

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

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. 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

Other Income
Other income includes income from Car parking and catering and this is recognised at a point in time when the cash consideration is received.
Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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

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 Discontinued operations

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

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
• items form part of the initial equipping and setting up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

Subsequent expenditure

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

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. The impact of the latest valuation is shown in note 24.

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity to ensure that the carrying amounts are not materially different to those that would be determined at the end of the reporting period.

An amendment to the RICS guidance came into effect from 1 January 2019. This guidance would result in shortening the remaining useful lives of the Trust's building assets and consequently an increase in depreciation. The impact on depreciation is not material and therefore the amended guidance on asset lives has not been applied.

Equipment assets are carried at fair value, with depreciated historical cost used as a proxy for fair value.

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 all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated 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.

Useful lives of property, plant and equipment

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

	Min life Years	**Max life Years**
Land	13	204
Buildings, excluding dwellings	1	101
Dwellings	39	75
Plant & machinery	5	16
Transport equipment	10	15
Information technology	7	8
Furniture & fittings	12	12

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 1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	**Max life Years**
Software licences	2	5

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.
Financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Derecognition

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

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

Note 1.14 Leases

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

The trust as a lessee

Finance leases

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 as 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 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34.2 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling
The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.16 Contingencies

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

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity’s control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.18 Corporation tax

IFM is subject to corporation tax on its profits. The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current Tax and deferred tax for the period
Current and deferred tax are recognised in the Statement of Comprehensive Income. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Note 1.19 Value added tax
Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.20 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.21 Third party assets
Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.22 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 1.23 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 1.24 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted
The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2019-20. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2020-21, and the government implementation date for IFRS 17 still subject to HM Treasury consideration
IFRS 16 Leases - The Standard is effective 1 April 2021 as adapted and interpreted by the FReM.
IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 1.26 Critical judgements in applying accounting policies
In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.27 Sources of estimation uncertainty
The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Asset valuation and impairments
The valuation of the Trust's land and buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Trust's external valuers who base their estimates on local market data as well as other calculations to reflect the age and condition of the Trust's estate. In 2014/15, the basis upon which the Modern Equivalent Asset Valuation was assessed by the external valuer was changed from the existing site to an alternate, theoretical site. The impact of the latest valuation is shown in note 24.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset recorded in note 24.

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust. It is possible that the COVID-19 pandemic will affect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

Incomplete spells (see revenue from contracts with customers note 1.4)
These have been calculated as per previous years. A report is produced to show the number of patients that had been admitted but not discharged by midnight on 31st March 2019. As these patients are not fully coded at that stage it is not possible to assign the National Healthcare Resource Groups (HRGs) and so an estimate of the anticipated income is made using average costs based on both admitting method (Elective / Non Elective), admitting specialty and the average number of excess bed days incurred.

Deferred income
The rules around how the Trust gets paid for delivering maternity changed in 2014/15, the Trust now gets paid for each stage of woman's journey in one singular payment at the antenatal, birth and postnatal phase of pregnancy. This means the Trust receives up to 6 months payment in advance and because some of this cost will be borne in the subsequent financial year, the Trust has to defer some of the income received in 2019/20 to pay for it. The Trust has used guidance produced by the DHSC to calculate how much the Trust needs to defer into 2020/21. The deferred income at 31 March 2020 for maternity pathway was £1,366k.

Note 2 Operating Segments

All activity for the Trust is healthcare related. As the operating segments have similar characteristics there is no requirement to report segmentally.

Whilst the Trust has a divisional structure in place the services that are provided are essentially all the same (patient care) and the majority of risks faced by each division are fundamentally the same.

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)	**2019/20**	**2018/19**
	£000	**£000**
Acute services		
Elective income	29,500	31,480
Non elective income	93,536	88,419
First outpatient income	16,109	14,530
Follow up outpatient income	17,062	15,819
A & E income	17,334	13,570
High cost drugs income from commissioners (excluding pass-through costs)	16,490	16,195
Other NHS clinical income	71,030	75,886
Community services		
Community services income from CCGs and NHS England	36,542	35,072
Income from other sources (e.g. local authorities)	12,628	10,104
All services		
Private patient income	64	37
Agenda for Change pay award central funding*	-	3,462
Additional pension contribution central funding**	9,684	-
Other clinical income	6,183	5,541
Total income from activities	**326,162**	**310,115**

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2019/20	**2018/19**
	£000	**£000**
NHS England	39,897	27,878
Clinical commissioning groups	270,432	266,188
Department of Health and Social Care	-	3,462
Other NHS providers	1,325	413
NHS other	234	187
Local authorities	12,748	10,278
Non-NHS: private patients	63	37
Non-NHS: overseas patients (chargeable to patient)	268	185
Injury cost recovery scheme*	1,019	1,051
Non NHS: other	176	436
Total income from activities	**326,162**	**310,115**

* Injury cost recovery income is subject to a provision for impairment of receivables of 18.9% to reflect expected rates of collection. The impairment percentage has been calculated by the Trust based on previous experience.

Note 4.1 Other operating income (Group)

	2019/20		
	Contract income	Non-contract income	Total
	£000	£000	£000
Research and development	580	-	**580**
Education and training	10,371	428	**10,799**
Non-patient care services to other bodies	2,452	-	**2,452**
Provider sustainability fund (PSF)	6,528	-	**6,528**
Financial recovery fund (FRF)	6,394	-	**6,394**
Marginal rate emergency tariff funding (MRET)	592	-	**592**
Income in respect of employee benefits accounted on a gross basis	3,213	-	**3,213**
Receipt of capital grants and donations	-	116	**116**
Rental revenue from operating leases	-	282	**282**
Other income	7,189	-	**7,189**
Total other operating income	**37,319**	**826**	**38,145**

	2018/19		
	Contract income	Non-contract income	Total
	£000	£000	£000
Research and development	675	-	**675**
Education and training	9,545	286	**9,831**
Non-patient care services to other bodies	4,019	-	**4,019**
Provider sustainability fund (PSF)	16,112	-	**16,112**
Financial recovery fund (FRF)	-	-	**-**
Marginal rate emergency tariff funding (MRET)	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	2,590	-	**2,590**
Receipt of capital grants and donations	-	151	**151**
Rental revenue from operating leases	-	255	**255**
Other income	7,003	-	**7,003**
Total other operating income	**39,944**	**692**	**40,636**

Note 4.2 Other within other operating income (Group)

	2019/20	2018/19
	£000	£000
Car parking	1,445	1,502
Catering	37	21
Pharmacy sales	121	140
Property rentals	17	171
Staff accommodation rentals	5	7
Estates recharges	467	506
IT recharges	1,252	580
Staff contributions to employee benefit schemes	25	24
Clinical tests	644	498
Clinical excellence awards	430	445
Other income generation schemes	432	542
Other income not already covered	2,314	2,567
Total	**7,189**	**7,003**

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

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	94	409

Note 5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2020 £000	31 March 2019 £000
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	**-**	**-**

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

Note 5.3 Income from activities arising from commissioner requested services

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

	2019/20	2018/19
	£000	£000
Income from services designated as commissioner requested services	310,329	294,066
Income from services not designated as commissioner requested services	15,833	12,587
Total	**326,162**	**306,653**

Note 6 Overseas visitors (relating to patients charged directly by the provider)

	2019/20	2018/19
	£000	£000
Income recognised this year	268	185
Cash payments received in-year	125	106
Amounts added to provision for impairment of receivables	211	-
Amounts written off in-year	49	32

Note 7 Income generation

The Trust undertakes income generation activities with an aim of achieving profit. The total income generation for the year ended 31 March 2020 was £56k. (£58k for the year ended 31 March 2019) This is included within other income.

Note 8 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's surplus/(defict) for the period was £(5,700k) (2018/19: £6,147k). The trust's total comprehensive income/(expense) for the period was £(4,405)k (2018/19: £6,758k).

Note 9.1 Operating expenses (Group)

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,824	3,559
Purchase of healthcare from non-NHS and non-DHSC bodies	1,112	826
Staff and executive directors costs	263,873	236,762
Remuneration of non-executive directors	156	119
Supplies and services - clinical (excluding drugs costs)	20,186	19,662
Supplies and services - general	4,175	4,226
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,346	23,266
Inventories written down	65	36
Consultancy costs	191	96
Establishment	2,654	2,021
Premises	21,794	17,643
Transport (including patient travel)	1,188	1,178
Depreciation on property, plant and equipment	4,725	4,364
Amortisation on intangible assets	710	736
Net impairments	2,638	11,488
Movement in credit loss allowance: contract receivables / contract assets	378	-
Change in provisions discount rate(s)	38	(15)
Audit fees payable to the external auditor		
audit services- statutory audit	81	72
other auditor remuneration (external auditor only)	1	12
Internal audit costs	163	159
Clinical negligence	11,899	12,360
Legal fees	165	126
Insurance	244	237
Education and training	1,185	999
Rentals under operating leases	290	213
Redundancy	30	-
Losses, ex gratia & special payments	608	377
Other	869	855
Total	**366,588**	**341,377**

Note 9.2 Other auditor remuneration (Group)

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	1	12
Total	**1**	**12**

Note 9.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2018/19: £1m).

Note 10 Impairment of assets (Group)

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	2,638	11,488
Total net impairments charged to operating surplus / deficit	**2,638**	**11,488**
Impairments charged to the revaluation reserve	1,271	1,011
Total net impairments	**3,909**	**12,499**

Note 11 Employee benefits (Group)

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	206,948	190,935
Social security costs	19,361	17,880
Apprenticeship levy	955	883
Employer's contributions to NHS pensions*	32,400	21,160
Termination benefits	198	144
Temporary staff (including agency)	6,601	8,525
Total gross staff costs	**266,463**	**239,527**
Recoveries in respect of seconded staff	-	-
Total staff costs	**266,463**	**239,527**
Of which		
Costs capitalised as part of assets	2,391	2,621

	2019/20 £000	2018/19 £000
Analysed as		
Employee expense - Executive directors	**1,331**	1,231
Employee expense - Staff costs	**265,132**	238,296
Total gross staff costs is comprised of:	**266,463**	239,527

* see note 3.1 for increase in employers contributions to NHS pension costs

Note 12 Directors' remuneration (Group)

	2019/20 £'000	2018/19 £'000
Directors' remuneration	**1,487**	1,350
Employer contribution to a pension scheme in respect of directors	**143**	133

	2019/20 Number	2018/19 Number
The total number of directors to whom benefits are accruing under defined benefit schemes	**8**	9

Further details on directors' remuneration can be found in the remuneration report.

Note 13 Key management remuneration (Group)

Key management is defined as the executive and non executive directors of the Trust. Further details of their remuneration can be found in the 2019/20 remuneration report published as part of the Trust's annual report.

Note 14 Retirements due to ill-health (Group)

During 2019/20 there were 3 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £225k (£375k in 2018/19).

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

Note 15.1 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 for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government

Note 15.2 Pension costs - other schemes

The employees of IFM have access to the National Employment Savings Trust (NEST) defined contribution pension scheme.

Note 16 Operating leases (Group)

Note 16.1 Bolton NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Bolton NHS Foundation Trust is the lessor.

The £282k received in rental revenue includes rentals received from WRVS for the use of rooms within the hospital for providing shops; rentals from High Meadows Nursery and from Elior (outsourced catering).

	2019/20	2018/19
	£000	£000
Operating lease revenue		
Contingent rent	282	255
Total	**282**	**255**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	282	82
- later than one year and not later than five years;	754	320
- later than five years.	1,095	706
Total	**2,131**	**1,108**

Note 16.2 Bolton NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Bolton NHS Foundation Trust is the lessee.

Operating lease payments include £92k for leased vehicles and £198k for equipment leases.
The contracts for equipment leases are taken out for between 5 and 10 years, whilst vehicle leases are taken out for 3 years.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	290	213
Total	**290**	**213**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	133	88
- later than one year and not later than five years;	70	121
- later than five years.	-	11
Total	**203**	**220**

Note 17 Finance income (Group)

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	175	109
Total finance income	**175**	**109**

Note 18.1 Finance expenditure (Group)

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,032	856
Finance leases	4	8
Total interest expense	**1,036**	**864**
Unwinding of discount on provisions	12	19
Total finance costs	**1,048**	**883**

Note 18.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2019/20	2018/19
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	711	852

Note 19 Other gains / (losses) (Group)

	2019/20	2018/19
	£000	£000
Losses on disposal of assets	(1)	(3)
Total other gains / (losses)	**(1)**	**(3)**

Note 20 Taxation on profit (Group)

Tax charged in the profit and loss account

	2019/20	2018/19
	£000	£000
Current taxation		
Current tax on profits for the year	189	-
Adjustment in respect of prior years	76	-
Total current taxation	**265**	**-**
Deferred taxation		
Current year	105	-
Adjustment in respect of prior years	(3,111)	-
Effect of changes in tax rates	(366)	-
	(3,372)	**-**

The charge for the year can be reconciled to the profit per the income statement as follows

Profit for the year	493
Tax on profit at standard UK tax rate of 19%	94
Adjustments in respect of prior years	(3,035)
Leases	200
Tax rate changes	(366)
Tax credit for the year	**(3,107)**
Income tax expense reported in the income statement	3,107

Note 21.1 Intangible assets - 2019/20

Group	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**5,681**	**8,753**	**14,434**
Additions	307	5,117	**5,424**
Reclassifications	1,308	(1,308)	**-**
Valuation / gross cost at 31 March 2020	**7,296**	**12,562**	**19,858**
Amortisation at 1 April 2019 - brought forward	**3,627**	**-**	**3,627**
Provided during the year	710	-	**710**
Amortisation at 31 March 2020	**4,337**	**-**	**4,337**
Net book value at 31 March 2020	**2,959**	**12,562**	**15,521**
Net book value at 1 April 2019	**2,054**	**8,753**	**10,807**

Note 21.2 Intangible assets - 2018/19

Group	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**5,326**	**3,447**	**8,773**
Additions	174	5,487	**5,661**
Reclassifications	181	(181)	**-**
Valuation / gross cost at 31 March 2019	**5,681**	**8,753**	**14,434**
Amortisation at 1 April 2018 - as previously stated	**2,891**	**-**	**2,891**
Provided during the year	736	-	**736**
Amortisation at 31 March 2019	**3,627**	**-**	**3,627**
Net book value at 31 March 2019	**2,054**	**8,753**	**10,807**
Net book value at 1 April 2018	**2,435**	**3,447**	**5,882**

Note 21.3 Intangible assets - 2019/20

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**5,681**	**8,753**	**14,434**
Additions	299	5,117	**5,416**
Reclassifications	1,308	(1,308)	**-**
Valuation / gross cost at 31 March 2020	**7,288**	**12,562**	**19,850**
Amortisation at 1 April 2019 - brought forward	**3,627**	**-**	**3,627**
Provided during the year	710	-	**710**
Amortisation at 31 March 2020	**4,337**	**-**	**4,337**
Net book value at 31 March 2020	**2,951**	**12,562**	**15,513**
Net book value at 1 April 2019	**2,054**	**8,753**	**10,807**

Note 21.4 Intangible assets - 2018/19

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**5,326**	**3,447**	**8,773**
Additions	174	5,487	**5,661**
Reclassifications	181	(181)	**-**
Valuation / gross cost at 31 March 2019	**5,681**	**8,753**	**14,434**
Amortisation at 1 April 2018 - as previously stated	**2,891**	**-**	**2,891**
Provided during the year	736	-	**736**
Amortisation at 31 March 2019	**3,627**	**-**	**3,627**
Net book value at 31 March 2019	**2,054**	**8,753**	**10,807**
Net book value at 1 April 2018	**2,435**	**3,447**	**5,882**

Note 22.1 Property, plant and equipment - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**3,051**	**79,901**	**537**	**7,361**	**28,879**	**129**	**13,944**	**423**	**134,225**
Additions	-	697	-	1,558	2,958	-	1,460	-	**6,673**
Impairments	-	(1,271)	-	-	-	-	-	-	**(1,271)**
Revaluations	-	(1,780)	12	-	-	-	-	-	**(1,768)**
Reclassifications	-	4,750	-	(6,631)	526	-	1,355	-	**-**
Disposals / derecognition	-	-	-	-	(826)	-	-	-	**(826)**
Valuation/gross cost at 31 March 2020	**3,051**	**82,297**	**549**	**2,288**	**31,537**	**129**	**16,759**	**423**	**137,033**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**-**	**19,208**	**124**	**7,417**	**421**	**27,170**
Provided during the year	-	1,686	10	-	1,879	1	1,148	1	**4,725**
Impairments	-	2,638	-	-	-	-	-	-	**2,638**
Revaluations	-	(4,324)	(10)	-	-	-	-	-	**(4,334)**
Disposals / derecognition	-	-	-	-	(825)	-	-	-	**(825)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**20,262**	**125**	**8,565**	**422**	**29,374**
Net book value at 31 March 2020	**3,051**	**82,297**	**549**	**2,288**	**11,275**	**4**	**8,194**	**1**	**107,659**
Net book value at 1 April 2019	**3,051**	**79,901**	**537**	**7,361**	**9,671**	**5**	**6,527**	**2**	**107,055**

Note 22.2 Property, plant and equipment - 2018/19

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**3,051**	**80,457**	**826**	**7,633**	**27,407**	**129**	**11,973**	**423**	**131,899**
Additions	-	7,685	-	5,592	1,296	-	333	-	**14,906**
Impairments	-	(1,010)	(1)	-	-	-	-	-	**(1,011)**
Revaluations	-	(11,228)	(288)	-	-	-	-	-	**(11,516)**
Reclassifications	-	3,997	-	(5,864)	229	-	1,638	-	**-**
Disposals / derecognition	-	-	-	-	(53)	-	-	-	**(53)**
Valuation/gross cost at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**28,879**	**129**	**13,944**	**423**	**134,225**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**-**	**17,481**	**123**	**6,501**	**401**	**24,506**
Provided during the year	-	1,640	10	-	1,777	1	916	20	**4,364**
Impairments	-	11,488	-	-	-	-	-	-	**11,488**
Revaluations	-	(13,128)	(10)	-	-	-	-	-	**(13,138)**
Disposals / derecognition	-	-	-	-	(50)	-	-	-	**(50)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**-**	**19,208**	**124**	**7,417**	**421**	**27,170**
Net book value at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**9,671**	**5**	**6,527**	**2**	**107,055**
Net book value at 1 April 2018	**3,051**	**80,457**	**826**	**7,633**	**9,926**	**6**	**5,472**	**22**	**107,393**

Note 22.3 Property, plant and equipment financing - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	3,051	81,522	549	2,288	8,086	4	8,143	-	**103,643**
Finance leased	-	-	-	-	2,529	-	-	-	**2,529**
Owned - donated	-	775	-	-	660	-	51	1	**1,487**
NBV total at 31 March 2020	**3,051**	**82,297**	**549**	**2,288**	**11,275**	**4**	**8,194**	**1**	**107,659**

Note 22.4 Property, plant and equipment financing - 2018/19

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	3,051	79,132	537	7,361	6,828	5	6,489	1	**103,404**
Finance leased	-	-	-	-	2,218	-	-	-	**2,218**
Owned - donated	-	769	-	-	625	-	38	1	**1,433**
NBV total at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**9,671**	**5**	**6,527**	**2**	**107,055**

Note 22.5 Property, plant and equipment - 2019/20

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**3,051**	**79,901**	**537**	**7,361**	**28,812**	**129**	**13,914**	**423**	**134,128**
Additions	-	697	-	1,536	2,958	-	1,460	-	**6,651**
Impairments		(1,271)							**(1,271)**
Revaluations	-	(1,780)	12	-	-	-	-	-	**(1,768)**
Reclassifications	-	4,750	-	(6,631)	526	-	1,355	-	**-**
Disposals / derecognition	-	-	-	-	(826)	-	-	-	**(826)**
Valuation/gross cost at 31 March 2020	**3,051**	**82,297**	**549**	**2,266**	**31,470**	**129**	**16,729**	**423**	**136,914**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**-**	**19,204**	**124**	**7,416**	**421**	**27,165**
Provided during the year	-	1,686	10	-	1,868	1	1,147	1	**4,713**
Impairments	-	2,638	-	-	-	-	-	-	**2,638**
Revaluations	-	(4,324)	(10)	-	-	-	-	-	**(4,334)**
Disposals / derecognition	-	-	-	-	(825)	-	-	-	**(825)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**20,247**	**125**	**8,563**	**422**	**29,357**
Net book value at 31 March 2020	**3,051**	**82,297**	**549**	**2,266**	**11,223**	**4**	**8,166**	**1**	**107,557**
Net book value at 1 April 2019	**3,051**	**79,901**	**537**	**7,361**	**9,608**	**5**	**6,498**	**2**	**106,963**

Note 22.6 Property, plant and equipment - 2018/19

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**3,051**	**80,457**	**826**	**7,633**	**27,397**	**129**	**11,943**	**423**	**131,859**
Additions	-	7,685	-	5,592	1,239	-	333	-	**14,849**
Impairments	-	(1,010)	(1)	-	-	-	-	-	**(1,011)**
Revaluations	-	(11,228)	(288)	-	-	-	-	-	**(11,516)**
Reclassifications	-	3,997	-	(5,864)	229	-	1,638	-	**-**
Disposals / derecognition	-	-	-	-	(53)	-	-	-	**(53)**
Valuation/gross cost at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**28,812**	**129**	**13,914**	**423**	**134,128**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**-**	**17,481**	**123**	**6,501**	**401**	**24,506**
Provided during the year	-	1,640	10	-	1,773	1	915	20	**4,359**
Impairments	-	11,488	-	-	-	-	-	-	**11,488**
Revaluations	-	(13,128)	(10)	-	-	-	-	-	**(13,138)**
Disposals / derecognition					(50)				**(50)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**-**	**19,204**	**124**	**7,416**	**421**	**27,165**
Net book value at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**9,608**	**5**	**6,498**	**2**	**106,963**
Net book value at 1 April 2018	**3,051**	**80,457**	**826**	**7,633**	**9,916**	**6**	**5,442**	**22**	**107,353**

Note 22.7 Property, plant and equipment financing - 2019/20

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	3,051	81,522	549	2,266	8,034	4	8,115		**103,541**
Finance leased					2,529				**2,529**
Owned - donated		775			660		51	1	**1,487**
NBV total at 31 March 2020	**3,051**	**82,297**	**549**	**2,266**	**11,223**	**4**	**8,166**	**1**	**107,557**
	3,051	82,297	549	2,266	11,223	4	8,166	1	

Note 22.8 Property, plant and equipment financing - 2018/19

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	3,051	79,132	537	7,361	6,765	5	6,460	1	**103,312**
Finance leased	-	-	-	-	2,218	-	-	-	**2,218**
Owned - donated	-	769	-	-	625	-	38	1	**1,433**
NBV total at 31 March 2019	**3,051**	**79,901**	**537**	**7,361**	**9,608**	**5**	**6,498**	**2**	**106,963**

Note 23 Donations of property, plant and equipment

Assets totalling £116k have been donated by Bolton NHS Charitable Fund. These are:

	£'000
Vivid IQ Premium	35
Building works	26
Workstations	19
Cardiac monitors	13
Zymed Holter Software	11
TC50 Cardiograph	6
SenTec Monitor	6

Note 24 Revaluations of property, plant and equipment

At 31 March 2020 no land, buildings or dwellings were valued at open market value.

The date of the latest revaluation of land and buildings was 31 March 2020. The valuation was carried out by Cushman and Wakefield, a RICS registered individual. The valuation was completed using a "modern equivalent assets - alternate site" basis on the grounds that this was a more appropriate method of calculation. The decision to use this basis for the first time was approved by the Audit Committee on behalf of the Board in February 2015.

From 1 April 2016, the valuation of the Trust's building assets has been completed net of VAT. This assumes that any reconstruction of property assets with equivalent service potential to the existing estate would be procured through a special purpose vehicle, namely IFM, in a way that would allow VAT to be recovered in full.

The overall effect of the revaluation was a decrease in the value of land and buildings of £1,343,818. This is shown in the accounts as detailed below

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. It is possible that the COVID-19 pandemic will affect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

Impairment charged to SOCI	(2,637,741)	note 9
Impairment charged to revaluation reserve	(1,271,612)	note 39
Revaluation charged to revaluation reserve	2,565,535	note 39
Total decrease in value of land and buildings	(1,343,818)	

Note 25 Investments in subsidary

	Group		Trust	
	2019/20	**2018/19**	**2019/20**	**2018/19**
	£000	**£000**	**£000**	**£000**
Carrying value at 1 April - brought forward	**-**	**-**	**12,408**	**(206)**
Shares in subsidiary undertaking	-	-	-	12,435
Share of subsidiary profit	-	-	3,600	179
Carrying value at 31 March	**-**	**-**	**16,008**	**12,408**

The shares in the subsidiary company IFM comprises a 100% holding in the share capital consisting of 12,435,255 ordinary £1 shares.

Note 26 Loans to subsidary

	GROUP		FOUNDATION TRUST	
	2019/20	**2018/19**	**2019/20**	**2018/19**
	£000	£000	**£000**	£000
Loans to subsidiary undertakings < 1 year	-	-	**826**	798
Loans to subsidiary undertakings > 1 year	-	-	**25,876**	26,702
	-	**-**	**26,702**	**27,500**

Note 27 Inventories

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Drugs	1,148	1,109	1,148	1,109
Consumables	1,615	1,622	1,530	1,533
Energy	32	32	-	-
Other	275	283	-	-
Total inventories	**3,070**	**3,046**	**2,678**	**2,642**

Inventories recognised in expenses for the year were £22,250k (2018/19: £22,039k). Write-down of inventories recognised as expenses for the year were £65k (2018/19: £36k).

Note 28.1 Receivables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Contract receivables	22,223	22,320	22,132	21,947
Allowance for impaired contract receivables / assets	(669)	(276)	(644)	(272)
Prepayments (non-PFI)	4,235	4,514	4,015	4,153
Interest receivable	14	11	14	11
PDC dividend receivable	391	468	391	468
VAT receivable	1,214	1,266	1,214	1,266
Deferred tax	201	-	-	-
Loan repayments from IFM	-	-	826	798
Other receivables	125	(12)	33	(43)
Total current receivables	**27,734**	**28,291**	**27,981**	**28,328**
Non-current				
Allowance for other impaired receivables	(206)	(221)	(197)	(218)
Deferred tax	3,171	-	-	-
Other receivables	391	436	391	435
Total non-current receivables	**3,356**	**215**	**194**	**217**
Of which receivable from NHS and DHSC group bodies:				
Current	19,084	19,504		
Non-current	-	-		

Note 28.2 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 - brought forward	**497**	**-**	**491**	**-**
New allowances arising	378	-	-	-
Allowances as at 31 Mar 2020	**875**	**-**	**491**	**-**

Receivables impaired during the period relate to the:
movement in the provision for bad debt on the injury cost recovery scheme.
movement in the provision for bad debt on receivables.

Note 28.3 Allowances for credit losses - 2018/19

	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 2018 - as previously stated	**-**	**643**	**-**	**637**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	643	(643)	637	(637)
Utilisation of allowances (write offs)	(146)	-	(146)	-
Allowances as at 31 Mar 2019	**497**	**-**	**491**	**-**

Note 29.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
At 1 April	**19,134**	**8,070**	**14,765**	**6,191**
Net change in year	(2,139)	11,064	(3,470)	8,574
At 31 March	**16,995**	**19,134**	**11,295**	**14,765**
Broken down into:				
Cash at commercial banks and in hand	12	6	9	4
Cash with the Government Banking Service	16,983	19,128	11,286	14,761
Total cash and cash equivalents as in SoFP	**16,995**	**19,134**	**11,295**	**14,765**
Total cash and cash equivalents as in SoCF	**16,995**	**19,134**	**11,295**	**14,765**

Note 29.2 Third party assets held by the trust

Bolton NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2020	31 March 2019
	£000	£000
Bank balances	1	-
Total third party assets	**1**	**-**

The Trust held £1k cash and cash equivalents at 31 March 2020 (£0k at 31 March 2019) which related to monies held by the Trust on behalf of the SHO Induction Fund and patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

Note 30.1 Trade and other payables

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Trade payables	8,863	5,506	9,085	5,634
Capital payables	2,468	3,578	1,631	1,921
Accruals	5,207	8,202	4,611	7,468
VAT payables	776	717	-	-
Other taxes payable	5,255	4,753	4,771	4,536
Other payables	4,527	4,195	3,942	3,731
Total current trade and other payables	**27,096**	**26,951**	**24,040**	**23,290**
Of which payables from NHS and DHSC group bodies:				
Current	5,504	5,216		
Non-current	-	-		

Other payables include:
Outstanding pension contributions of £3,159k at the 31 March 2020 (£2,949k at 31 March 2019).
Pension contributions are paid a month in arrears.

Note 30.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

Group and Trust	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	225		375	
- number of cases involved		3		5

Note 31 Other liabilities

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Deferred income: contract liabilities	949	590	949	590
Total other current liabilities	**949**	**590**	**949**	**590**

Note 32.1 Borrowings

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Loans from DHSC	3,587	2,596	3,587	2,597
Obligations under finance leases	-	-	1,669	1,613
Total current borrowings	**3,587**	**2,596**	**5,256**	**4,210**
Non-current				
Loans from DHSC	42,398	40,187	42,398	40,187
Obligations under finance leases	-	-	34,674	36,343
Total non-current borrowings	**42,398**	**40,187**	**77,072**	**76,530**

The Trust has four loans with the DHSC which total £45,985k. These are summarised below:

	Amount Outstanding at 31 March 2020 £'000	Term of the original loan	Fixed Interest rate	Date to be fully repaid
"Making it Better" developments within Womens and Childrens Services	11,327	20 years	3.75%	Oct-29
Purchase of land for a Car Park	520	10 years	1.26%	Dec-22
Estate Strategy	24,123	25 years	2.22%	Nov-40
EPR	10,015	10 years	0.83%	Nov-27

Note 32.2 Reconciliation of liabilities arising from financing activities (Group)

Group - 2019/20	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2019	**42,783**	**-**	**42,783**
Cash movements:			
Financing cash flows - payments and receipts of principal	3,161	-	**3,161**
Financing cash flows - payments of interest	(991)	(4)	**(995)**
Non-cash movements:			
Application of effective interest rate	1,032	4	**1,036**
Carrying value at 31 March 2020	**45,985**	**-**	**45,985**

Group - 2018/19	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2018	**29,875**	**-**	**29,875**
Cash movements:			
Financing cash flows - payments and receipts of principal	12,538	-	**12,538**
Financing cash flows - payments of interest	(816)	(8)	**(824)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	330	-	**330**
Application of effective interest rate	856	8	**864**
Carrying value at 31 March 2019	**42,783**	**-**	**42,783**

Note 32.3 Reconciliation of liabilities arising from financing activities

Trust	Loans from	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2019	**42,783**	**37,956**	**80,739**
Cash movements:			
Financing cash flows - payments and receipts of principal	3,161	-	**3,161**
Financing cash flows - payments of interest	(991)	-	**(991)**
Non-cash movements:			
Additions	-	-	**-**
Application of effective interest rate	1,032	-	**1,032**
Carrying value at 31 March 2020	**45,985**	**37,956**	**83,941**

Trust	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2018	**29,875**	**39,514**	**69,389**
Cash movements:			
Financing cash flows - payments and receipts of principal	12,538	(1,558)	**10,980**
Financing cash flows - payments of interest	(816)	(1,337)	**(2,153)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	330	-	**330**
Application of effective interest rate	856	1,337	**2,193**
Carrying value at 31 March 2019	**42,783**	**37,956**	**80,739**

Note 33 Finance leases

Note 33.1 Bolton NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

Finance leases are for medical equipment used within the Trust. These relate to a Managed Facilities Service in Radiology that commenced in July 2010. The capital value of the assets provided to date under this facility is £6,131k. The facility is for a 15 year term.

As at the 31 March 2020 the finance lease was a receivable balance of £77k, this was part of prepayments in note 28.1.

A finance lease for property and equipment between IFM and the Trust commenced on 1st April 2017, the value of the lease was £41,020k and was for 25 years. At 1st April 2020 the current value is £36,343k with 22 years remaining.

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**-**	**-**	**51,425**	**54,320**
of which liabilities are due:				
- not later than one year;	-	-	2,895	2,895
- later than one year and not later than five years;	-	-	7,458	8,072
- later than five years.	-	-	41,072	43,353
Finance charges allocated to future periods	-	-	(15,082)	(16,364)
Net lease liabilities	**-**	**-**	**36,343**	**37,956**
of which payable:				
- not later than one year;	-	-	1,669	1,613
- later than one year and not later than five years;	-	-	4,098	4,562
- later than five years.	-	-	30,576	31,782

Note 34.1 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 2019	**36**	**437**	**90**	**1,015**	**1,578**
Change in the discount rate	-	38	-	-	**38**
Arising during the year	-	-	25	2,558	**2,583**
Utilised during the year	(7)	(20)	-	(630)	**(657)**
Reversed unused	-	-	-	(231)	**(231)**
Unwinding of discount	**-**	12	**-**	**-**	**12**
At 31 March 2020	**29**	**467**	**115**	**2,712**	**3,323**
Expected timing of cash flows:					
- not later than one year;	1	21	115	2,712	**2,849**
- later than one year and not later than five years;	5	86	-	**-**	**91**
- later than five years.	23	360	-	**-**	**383**
Total	**29**	**467**	**115**	**2,712**	**3,323**

Other provisions include a provision for estimated tax cost which the Trust deems likely to become payable in the future.
The items shown for Employer's and Occupiers' Liability cases relate to cases that have more than a 50% chance of being settled. Claims that have a remote chance of being settled are classed as contingent liabilities and disclosed in note 37.
In January 2009 the Trust signed an agreement with the NHS Resolution that in the event of the Trust (i) choosing to leave the CNST voluntarily and (ii) in the event of insolvency, the Trust would be required to compensate the NHS Resolution for all outstanding clinical negligence claims i.e. lump sum liability. This is not included in the provisions note above.

Note 34.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**36**	**437**	**90**	**1,004**	**1,567**
Change in the discount rate	-	38	-	-	**38**
Arising during the year	-	-	25	2,049	**2,074**
Utilised during the year	(7)	(20)	-	(630)	**(657)**
Reversed unused	-	-	-	(231)	**(231)**
Unwinding of discount	-	12	-	-	**12**
At 31 March 2020	**29**	**467**	**115**	**2,192**	**2,803**
Expected timing of cash flows:					
- not later than one year;	1	21	115	2,192	**2,329**
- later than one year and not later than five years;	5	86	-	-	**91**
- later than five years.	23	360	-	-	**383**
Total	**29**	**467**	**115**	**2,192**	**2,803**

Note 34.3 Clinical negligence liabilities

At 31 March 2020, £211,949k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Bolton NHS Foundation Trust (31 March 2019: £178,802k).

Note 35 Contingent liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(76)	(45)	(76)	(45)
Value of contingent liabilities	**(76)**	**(45)**	**(76)**	**(45)**

Note 36 Contractual capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Property, plant and equipment	507	703	306	573
Intangible assets	263	324	-	-
Total	**770**	**1,027**	**306**	**573**

Note 37 Financial instruments

Note 37.1 Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with CCGs and the way those CCGs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Currency risk

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

Interest rate risk

The Trust borrows from Government for capital expenditure, subject to affordability as confirmed by NHSI. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund (NLF) rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of the Trust's income comes from contracts with other public sector bodies; the Trust therefore has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 37.2 Carrying values of financial assets

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Trade and other receivables excluding non financial assets	21,878	22,258	21,729	21,860
Other investments / financial assets	-	-	26,702	27,500
Cash and cash equivalents	16,995	19,134	11,295	14,765
Total at 31 March 2020	**38,873**	**41,392**	**59,726**	**64,125**

Note 37.3 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2020	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Borrowings excluding finance leases	45,985	42,783	45,985	42,783
Obligations under finance leases	-	-	36,343	37,956
Trade and other payables excluding non financial liabilities	16,538	17,286	15,327	15,023
Provisions under contract	467	438	467	438
Total at 31 March 2020	**62,990**	**60,507**	**98,122**	**96,200**

Note 37.4 Fair values of financial assets and liabilities

The book value (carrying value)of the financial assets and financial liabilities is a reasonable approximation of fair value.

Note 37.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
In one year or less	20,146	19,903	20,604	19,252
In more than one year but not more than two years	3,863	3,106	5,591	4,775
In more than two years but not more than five years	10,812	7,687	13,182	10,580
In more than five years	28,169	29,811	58,745	61,593
Total	**62,990**	**60,507**	**98,122**	**96,200**

Note 38 Movements in PDC

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 trust. Additional PDC may also be issued to the Trusts by the DHSC. A charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC as the PDC dividend.

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
PDC as at 1 April	108,940	106,736	108,940	106,736
PDC received *	1,142	2,204	1,142	2,204
PDC as at 31 March	**110,082**	**108,940**	**110,082**	**108,940**

* In 2019/20 the Trust received £1,142k PDC for the following schemes:

	£000
LED Lighting	866
Mammography	276
Total	**1,142**

Note 39 Movements in 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.

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Revaluation reserve at 1 April	**31,543**	30,933	**31,543**	30,933
Impairments	**(1,271)**	(1,011)	**(1,271)**	(1,011)
Revaluations	**2,566**	1,622	**2,566**	1,622
Asset disposal	**(1)**	(1)	**(1)**	(1)
Revaluation reserve at 31 March	**32,837**	31,543	**32,837**	31,543

Note 40 Losses and special payments

	2019/20		2018/19	
Group and trust	**Total number of cases Number**	**Total value of cases £000**	**Total number of cases Number**	**Total value of cases £000**
Losses				
Cash losses	6	2	17	13
Bad debts and claims abandoned	39	56	182	135
Stores losses and damage to property	2	65	2	36
Total losses	**47**	**123**	**201**	**184**
Special payments				
Ex-gratia payments	19	42	23	49
Total special payments	**19**	**42**	**23**	**49**
Total losses and special payments	**66**	**165**	**224**	**233**

There were no cases exceeding £300k.

These amounts have been prepared on an accruals basis but exclude provisions for future losses.

Note 41 Related parties

Details of related party transactions with statutory bodies or individuals are as follows:

	Receipts from Related Party	Payments to Related Party	Amounts due from Related Party	Amounts owed to Related Party
	£ '000	£ '000	£ '000	£ '000
Bolton Council	13,267	381	200	1,257
University of Bolton	498	62	180	10
Bolton Hospice	19	-	-	-
University of Salford	39	50	-	1
University of Manchester	61	18	2	-
Greater Manchester Health and Social Care Partnership	112	-	47	-
Holt Doctors	-	17	-	-
Bolton Community Volunteer Service	-	30	-	-

The DHSC is regarded as a related party. During the period, the Trust has had a significant number of material transactions with the DHSC, and with other entities for which the DHSC is regarded as the parent. These entities are listed below:

	Receipts from Related Party	Payments to Related Party	Amounts due from Related Party	Amounts owed to Related Party
	£ '000	£ '000	£ '000	£ '000
DHSC	-	-	-	22
Health Education England (HEE)	10,405	-	-	217
Public Health England (PHE)	215	46	1	1
NHS Bolton CCG	223,464	7	3,906	1,002
NHS England	44,577	5	10,945	1
NHS Wigan Borough CCG	17,695	-	-	655
NHS Salford CCG	17,043	-	456	237
NHS Bury CCG	10,707	-	155	191
Other CCGs & NHS England	4,444	70	1,107	249
Bridgewater Community Healthcare NHS Foundation Trust	126	176	41	161
Greater Manchester Mental Health NHS Foundation Trust	1,639	209	765	49
Lancashire Teaching Hospitals NHS Foundation Trust	68	6	26	20
Manchester University NHS Foundation Trust	1,084	1,581	301	752
Salford Royal NHS Foundation Trust	529	1,379	274	763
Tameside and Glossop Integrated Care NHS Foundation Trust	72	-	9	-
Wrightington, Wigan and Leigh NHS Foundation Trust	478	1,228	369	440
The Christie NHS Foundation Trust	68	327	18	78
East Lancashire Hospitals NHS Trust	161	24	61	24
Pennine Acute Hospitals NHS Trust	166	98	78	57
St Helens and Knowsley Hospital Services NHS Trust	97	62	12	165
Other NHS Providers	437	597	141	170

Note 41 Related parties continued

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with the NHS Pension Scheme and the National Insurance Fund in respect of employee contributions. These entries are listed below:

	Receipts from Related Party	Payments to Related Party	Amounts due from Related Party	Amounts owed to Related Party
	£ '000	£ '000	£ '000	£ '000
NHS Pensions Agency	-	32,400	-	3,159
NHS Resolution	-	11,899	-	-
NHS Property Services	-	3,132	-	181
Community Health Partnerships	-	3,486	-	253

The Trust has received revenue and capital benefit from purchases made by Bolton NHS Charitable Fund. The transactions are summarised below. The separate Trustees' Report and Accounts for Bolton NHS Charitable Fund are available on request.

	£ '000
Purchases made from Charitable Funds relating to capital assets transferred to the Trust	116

Note 42 Analysis of Whole of Government balanaces

	2019/20			
	Income transactions	Expenditure transactions	Current receivables	Current payables
	£000	£000	£000	£000
English NHS Foundation Trusts	4,262	5,319	1,886	2,348
English NHS Trusts	663	368	209	331
Health Education England	10,405	-	-	217
Department of Health and Social Care	-	-	-	22
NHS England and English CCGs	317,930	82	16,569	2,335
Special Health Authorities	13	11,903	13	108
Public Health England	215	46	1	1
DH NDPBs	13	238	13	-
Other DH bodies	-	6,618	-	434
Total NHS	**333,501**	**24,574**	**18,691**	**5,796**
Other WGA bodies - Local Government	15,099	503	254	1,403
Other WGA bodies - Central Government	495	50,445	1,476	9,219
Total	**349,095**	**75,522**	**20,421**	**16,418**

Note 43 Events after the reporting date

There are no events after the reporting date to report.

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