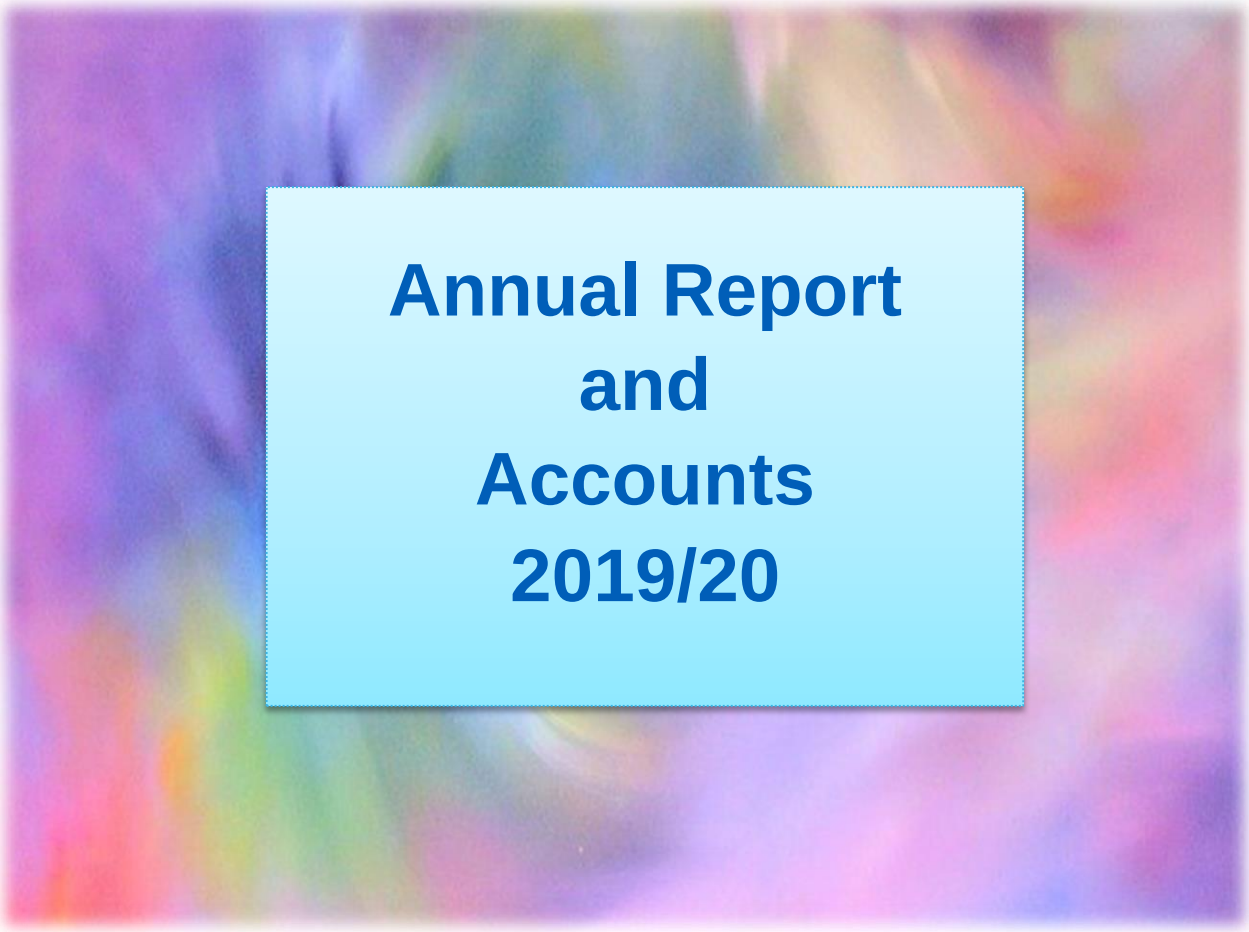
NHS
George Eliot Hospital
NHS Trust



Annual Report and Accounts 2019/20

'Our vision is to excel at patient care'

www.geh.nhs.uk

Contents

Welcome from the Chairman and Chief Executive

It has been a remarkable year for George Eliot Hospital Trust, with the last quarter of the year dominated by the Covid-19 (Coronavirus) pandemic which brought huge demand on our staff and services.

Autumn 2019 saw us refresh our Trust Strategy which will guide our activity until 2023. Our strategy can be summarised under four key priority areas (see also page 4 below).

- We will embrace our role as a District General Hospital, delivering the best quality, safest care to our local population - focussing on the key clinical priorities of emergency medicine, elective care, cancer and mortality. We will do this strongly and quickly to improve our patients' experience.
- Secondly, we will take a leading role in the development of Place-based services, adopting a system-wide view in developing and delivering new models of care.
- Thirdly, we will listen to and engage with our staff to create a culture of true partnership.
- And finally, Transform our services and enable our progress by focussing on our key enablers - ICT, our estate and workforce.

Our staff made a major contribution to the development of the strategy through our 'Shaping our Future' engagement sessions and we are committed to continue these listening exercises as we deliver our plans for the future. Our teams were clear on what the areas of focus should be, and we listened.

Whilst developments in service provision and further increases in activity are clearly most notable, our stewardship of public funding is also an important focus. So I am very pleased to report that we achieved our Financial Control Total which ensured that we were able to access central funding through the Financial Recovery Fund to end the year in a break-even position overall for the first time in a decade. This is an excellent achievement, given our position in recent years and one which was also testimony to the very close working relationships we have developed within the local healthcare system.

The 2019/20 year also saw us develop and strengthen our Foundation Group with South Warwickshire NHS Foundation Trust and Wye Valley NHS Trust. This has started to produce tangible benefits including a group-wide, agreed approach to improvement. The Quality Service Improvement and Redesign process provides a 'toolkit' of methods that helps create a consistent approach to empower staff to make changes to support care delivery, efficiencies or productivity. We have also developed a joint approach to developing our leaders' skills. We want to develop a leadership culture that encourages people to innovate, try new ideas and learn from mistakes. Wherever possible we want to encourage our leaders to take an inclusive approach, allowing staff to develop solutions. These initiatives, coupled with developments in shared IT strategy and procurement collaboration, shows that the Foundation Group arrangement is delivering results for each individual organisation.

The Covid-19 (Coronavirus) Pandemic had a huge impact on the Trust in spring 2020. We want to thank our staff for their amazing work over this period in planning and delivering great care to our local population. It was also humbling to see the affection and respect that our community showed towards George Eliot Hospital and its staff during this challenging time. The donations we received made a big difference to our staff and patients and the memory of the weekly tributes paid to the NHS will stay with us all for the rest of our lives.

As we move to restore our services, it's important that we realise that there will be a 'new normal' for our organisation and services. Many of the innovations we made in reaction to the pandemic will stay with us – helping us plan positively for the future and working more closely with our health and care partners. The sadness we feel for the families and friends who lost a loved one is overwhelming. But the learning and changes that came from the pandemic offer a source of light for the future as we emerge from the darkness of the outbreak.

Our thanks again go to our dedicated staff and the supportive communities of Nuneaton, Bedworth and South West Leicestershire.

Russell Hardy
Chairman

Glen Burley
Chief Executive

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Our high-level strategic aims 2019 – 2023 that will run from Ward to Board

Embrace our role as a District General Hospital, delivering the best quality, safest care to our local population

We will focus on the key clinical priorities of emergency medicine, elective care, cancer and mortality. We will do this strongly and quickly to improve our patients' experience.

Take a leading role in the development of Place-based services, adopting a system-wide view in developing and delivering new models of care

The NHS Long Term Plan set out by the Government prioritises prevention and joined-up care. We are working with healthcare, education and local authority partners to develop plans that serve patients across our North Warwickshire community or 'Place'.

Listen to and engage with our staff to create a culture of true partnership

Through our Shaping Our Future initiative, our staff have influenced our strategy through an engagement process that has captured their ideas, concerns and priorities as we plan for the future of George Eliot Hospital. We will continue to listen.

Transform our services and enable our progress by focussing on our key enablers - ICT, our estate and workforce.

Coventry & Warwickshire Health & Care Partnership

Former Chief Executive of The King's Fund Professor Sir Chris Ham continues his role as Independent Chair of the Partnership. Chris brings a wealth of experience and knowledge to Coventry and Warwickshire and will continue to play an important role as we look to integrate services more closely across our health and care system.

The new NHS Long Term Plan, launched in January 2019, gives us an opportunity to review our local plan to consider the additional funding the NHS will receive over the next five years. We expect a revised version of our local plan to be published later this year.

To ensure our plan meets the needs of local people we have engaged with those who know health and care services the best – patients, staff and the public. We sought their views on how to improve health and care and how we can best use our combined resources. This includes working closely with our local authorities, and with local voluntary and community groups.

Patients, staff and local residents can find out more about opportunities to get involved by emailing info@bettercarecovwarks.org.uk or go to the Partnership's website at www.happyhealthylives.uk

Alternatively, connect with us at facebook.com/healthyhappycw or follow on Twitter at twitter.com/healthyhappycw

Section 1 - Performance Report

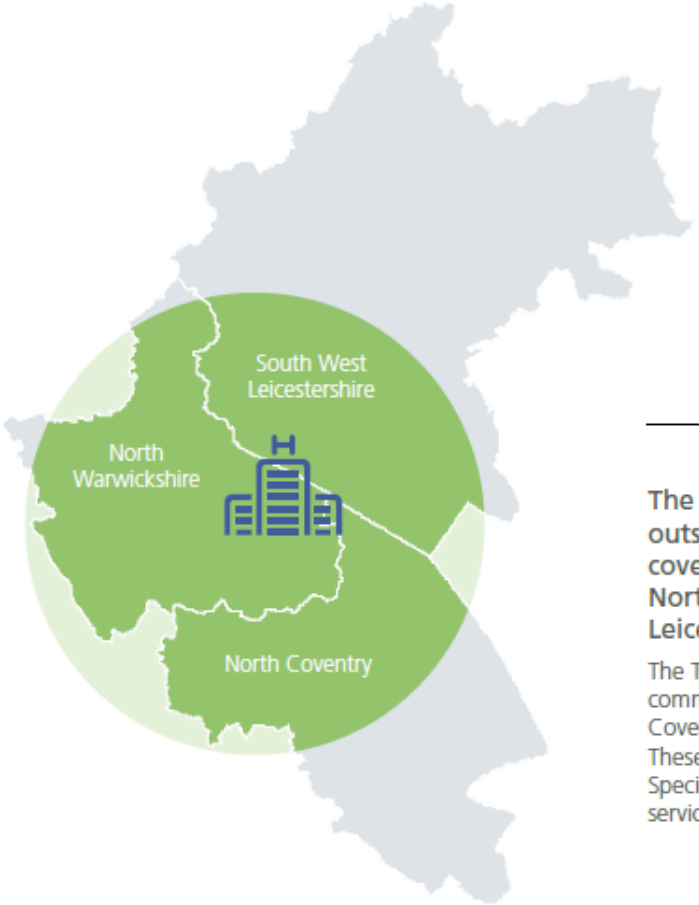
Trust overview

George Eliot Hospital NHS Trust provides a range of elective, non-elective, surgical, medical, women's, children's, diagnostic and therapeutic services to a population of more than

300,000 people

Average number of employees
(whole time equivalent basis)

2,502



Total number of beds
(General & Acute)

300

The hub of the Trust is located on the outskirts of Nuneaton and its services cover a large footprint, including North Warwickshire, South West Leicestershire, and North Coventry.

The Trust also provides a range of community services, delivered across Coventry, Warwickshire and Leicestershire. These include sexual health, the Warwickshire Special Care Dental Service and tuberculosis services for Coventry and Warwickshire.

A&E Attends

89,005

Inpatient Admissions

Day Case

17,641

Outpatient appointments attended

263,476

Total live births

2,222

Total number of patients operated on

11,418

Number of Diagnostics

X-ray

Ultrasound

CT

MRI

DEXA

ERCP

X-ray	Ultrasound	CT	MRI	DEXA	ERCP
82,262	40,681	19,766	15,762	2,360	398

Our Services

Medical

Accident and Emergency and Urgent Care Centre
Acute Medical Unit
Ambulatory Care Unit
Cardiology
Chronic Fatigue
Chronic Pain
Diabetes
Endocrinology
Gastroenterology
Geriatric Medicine
Infection Prevention
Nephrology
Ophthalmology
Osteoporosis Screening
Palliative Medicine
Respiratory Care
Rheumatology
Stroke
Transient Ischemic Attack (TIA

Women's and children's

Midwifery
Gynaecology
Maternity
Obstetrics
New-born Hearing Screening
Paediatrics
Special Care Baby Unit

Diagnostic and therapeutic

Acute Medical Unit
Ambulatory Care Unit
Bereavement Support
Cardio Respiratory Unit
Chaplaincy
Clinical Psychology
Endoscopy
Macmillan Cancer Support
Occupational Therapy
Oncology
Outpatients
Pathology
Pharmacy
Physiotherapy
Radiology
Research and Development
Speech and Language Therapy

Surgical

Anaesthetics
Breast Care
Colorectal
Ear Nose and Throat
Maxillofacial
Neurosurgery
Organ Donation
Orthopaedics
Plastic and Reconstructive Surgery
Theatres
Urology
Vascular

Community

Coventry and Warwickshire Community
TB Service
Sexual Health Services Warwickshire
Warwickshire Special Care Dental Service

Our vision, values and objectives

Our vision at George Eliot Hospital NHS Trust is to "EXCEL at patient care"

We believe that the best way to provide exceptional care is to take a value-led approach. We also believe that exceptional care can be delivered by striving to reach a number of strategy objectives:

Our core value pledges are:

- **E**ffective open communication
- E**X**cellence and safety in everything we do
- **C**hallenge but support
- **E**xpect respect and dignity
- **L**ocal health that inspires confidence.

Our strategic objectives are to:

- Constantly deliver safe, high quality care
- Enhance patient experience by providing local care tailored to the individual needs of the patient
- Develop partnership arrangements to promote and deliver a comprehensive range of value for money integrated services, to protect and improve the health of the local community
- Empower, develop and support our staff to encourage positive leadership at every level
- Maintain financial stability, hit all agreed targets and satisfy our regulators.

Going concern statement

In accordance with international accounting standards, management is required to assess whether it is appropriate to prepare the accounts on a going concern basis. There are no plans for the dissolution of the Trust and it is anticipated that services will continue to be provided in the future. The financial statements have therefore been prepared on a going concern basis.

In preparing the financial statements, the Board of Directors has considered the Trust's overall financial position and expectations of future financial support. The Trust received deficit support loan funding of £3.7m during 2019/20, all of which was repaid in year in line with the plan. In addition, loan funding amounting to £13.3m was drawn down in advance of Public Sustainability Fund (PSF)/Financial Recovery Fund (FRF). The Trust has delivered the control total for the year and has received the remaining PSF/FRF in May 2020

The usual planning process has been suspended by NHS Improvement due to the pandemic and is expected to be revisited later in the year. The impact of this is that the Trust is not required to agree contracts in advance of the financial year and is not expected to commence delivery of savings plans. NHS Improvement has introduced temporary arrangements for the first four months of 2020/21 to reduce the burden on the NHS whilst managing the impact of the pandemic. This will include fixed monthly payments and additional funding to address both on-going expenditure and the exceptional costs of the pandemic. The temporary arrangements will provide cash in advance in order to facilitate prompt payment of suppliers, with retrospective claims to be made for exceptional costs incurred.

The arrangement will be in place at least until July and the Trust Board has approved an annual budget based on the temporary funding arrangements to ensure that appropriate financial governance continues. Whilst on-going arrangements have not yet been definitively announced, NHS England and NHS Improvement have made a statement available which confirms that a Government mandate has been provided to NHS England for the continued provision of health services in England. Clinical Commissioning Groups have been given funding allocations which include sufficient funding for the remainder of 2020/21. Trusts are therefore advised to continue to expect funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned.

NHSI has also announced a funding restructure, with the intention that outstanding revenue and capital loans will be converted to Public Dividend Capital in September 2020. Any Department of Health and Social Care loan principal or interest payments due after 31 March 2020 will not need to be made and the loan balance at that date of £91.4m will be converted. This will have a significant cash benefit to the Trust. In addition, future cash requirements will be met in the form of Public Dividend Capital rather than through loan funding. The Trust will be required to pay a dividend on this capital funding, with the current rate of 3.5% being subject to further review during 2020/21. The Trust will work closely with NHSI to ensure that forecast cash requirements are reviewed in a timely manner and that any issues are highlighted so these can be resolved.

The Trust is also working with the other organisations in the Coventry and Warwickshire Sustainability and Transformation Partnership to address the issues of financial sustainability across the wider local health economy in the medium to long-term.

Due to the impacts of covid-19 and the revised financial framework currently only covering the period to the end of July 2020 there is an increased level of uncertainty. However, during the last six years, NHSI has supported the Trust's with cash support and the Government has confirmed that financial support will continue to be provided to fund services and maintain financial stability in the health sector including payments to suppliers. The Trust Board therefore anticipates that NHSI will continue to support the Trust's requirement for cash support. Given the on-going level of support received from NHSI, the directors expect that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the accounts.

Emergency preparedness, resilience and response

The Trust has a vital role in responding to major and business continuity incidents. As a Category 1 responder under the Civil Contingencies Act 2004 the Trust has a duty to be prepared and ensure planning arrangements are in place to enable the effective and efficient prevention, reduction, control, mitigation of, and response to emergencies.

These emergencies can range from major incidents, such a serious road traffic accidents involving multiple casualties, to business continuity following a cyber-attack. The Trust's major and business continuity incident planning arrangements are regularly reviewed and tested to ensure they are in-line with legislation and best practice. As such, in partnership with other local health resilience groups, the Trust can ensure there is a robust multi-agency response to any future incident.

As part of NHS England annual core standards assurance process the Trust has been rated as 'substantial' for 2019

Highlights of the Year

Hospital receives award for outstanding work experience provision

In April the Trust applied for Silver Work Experience Standard accreditation, and was pleased to be told that they had exceeded expectations to achieve Gold, demonstrating the Trust recognises the value of high-quality work experience and employability provision, and strives to raise achievement among learners.

Theatre practitioner recognised at prestigious healthcare awards

Theatre Operating Department Practitioner, Fiona Deeley was given the accolade of Rising Star at the 2019 Advancing Healthcare Awards ceremony. She was nominated by Theatre Manager, Paula Quinn for always ensuring, and enhancing, patient safety within the theatres department by introducing a new way of recording patients' temperatures before, during and after operations, as well as introducing new equipment within the hospital.

Respiratory care team scoops national award

Our respiratory care team were named Respiratory Team of the Year as part of the annual 2019 Association of Respiratory Nurse Specialists conference.

The award acknowledged the team's phenomenal work with patients in Nuneaton and the surrounding areas, which includes the hospital's successful Singing for Breathing group, as well as its monthly Respiratory Support Group and the team's work to help patients dealing with long-term, life-limiting conditions and stages of grief.

HSDU (Hospital Sterilisation and Decontamination) Going for Good

The Trust's decontamination unit passed an internationally recognised standard with near-perfect marks.

HSDU, provides decontamination services and reusable instrument cleansing in the hospital, as well as to dental and medical centres across Warwickshire, was successful in attaining BS EN ISO 13485 with only one minor non-conformance.

It followed 12 months of work by the HSDU team, who continued to provide their high levels of service during the process, and a rigorous, two-day inspection by auditors who highlighted how impressed they were with the staff's knowledge, how efficient the team are and how swiftly they dealt with requests.

Serenity Garden project

When taking up her role as Mayor of Nuneaton and Bedworth in May, June Tandy announced that the Serenity Garden would be her sole charity as part of her role as civic Mayor for 2019/20. When complete the garden will be a rehabilitation space for stroke and dementia patients, and a sanctuary for patients to spend time with their carers' and families. The Trust is immensely grateful for this generous boost to the fundraising campaign.

Breast care nurse Annette celebrates 45 years at the Trust

Nurse Annette Tracey celebrated 45 years at the Hospital in May, including 33 years within its busy breast care unit. Annette is the longest serving member of the breast care team providing breast care support to people before, during and after their treatment, or operation. Her role provides general advice and specialist support and is an invaluable part of the team of consultants, nurses, breast care assistants and radiologists.

Excellence rating in education following successful quality review

A sense of family, positive teaching culture and investment in people and facilities made provisions at the hospital for undergraduate medical students stand out in an educational quality assurance visit in July.

The Medical Education Department at the Trust hosted an educational quality assurance visit from Warwick Medical School in May, with the visiting team highly commending the culture of education and enthusiasm they saw. The visit was a great success and highlighted the open, supportive and friendly culture across all disciplines, a willingness to address issues, put robust systems and processes in place and the integration of education.

Nursing staff shortlisted for two prestigious awards

The Infection Prevention team and End of Life Facilitator, Audrey Coakley were shortlisted for a Nursing Times award. The Infection Prevention and Control team were nominated for their work on improving patient hand hygiene before meals and how this could stop the spread of infections.

End of Life Care Facilitator, Audrey Coakley, was shortlisted for the Nurse of the Year award for her work within Palliative Care always ensuring patients, staff and their loved ones are supported during their end of life care.

Highly commended at patient safety awards

Work to reduce and prevent hypothermia in new-born babies led the Trust to receive a Highly Commended award at the 2019 national HSJ patient safety awards.

The Keeping Babies Warm campaign launched in spring 2018 has since seen a significant drop in babies being admitted to the neonatal unit at the Hospital because they weren't warm enough, during the first few hours after birth.

Local team wins national excellence award

A partnership of hospitals, hospices and volunteers across Coventry and Warwickshire that supports people affected by Parkinson's disease was recognised with a national award.

Coventry and Warwickshire's Parkinson's Multi-Disciplinary Team were honoured with the UK Parkinson's Excellence Network Trophy in recognition of the outstanding partnership working that has been developed between local health services. This local partnership initiative increased the number of people and carers affected by Parkinson's attending local hospices for respite care. They were recognised for providing a gold standard quality service for their multi-disciplinary team approach to comprehensive patient care.

New strategy sets the future direction for the Trust

A new strategy emphasizing the importance of working with other health and care partners in the North Warwickshire area while maintaining focus on key hospital services that serve local people was launched during September.

The new strategy agreed by the hospital's Trust Board followed a listening exercise with staff who had the opportunity to attend a series of events, run by our Chief Executive Glen Burley and Managing Director David Eltringham, to give their views.

Our Wellbeing reading group involved in 2019 Booker Prize competition

The staff reading group set up in the spring of 2019 were one of 12 across the country to be involved in the 2019 Booker Prize.

The group, set up as part of the NHS Trust's support for the 2019 Coventry and Warwickshire Year of Wellbeing, were asked to read and discuss prize contender Girl, Woman, Other[1] by Bernardine Evaristo. Members of the fledging group had to share an overview of their discussion with the organisers through the Reading Agency.

[1] Girl, Women Other became joint first winner of the Booker Prize 2019 alongside Margaret Attwood's Secret to a Handmaid's Tale

Celebrations for birthday of author who inspired the hospital's name

The hospital, named George Eliot after the pen name of Mary Ann Evans who grew up nearby, hosted a range of events to celebrate the Victorian novelist's bicentenary.

Nuneaton-born Eliot wrote eight novels, which are mostly set in provincial England and known for their realism and psychological insight. She used a male pen name because she believed it would ensure that her works would be taken seriously.

After the birth of the hospital, several wards were named after characters from Eliot's books - including Bob Jakin, Felix Holt, Dorothea, Romola, Mary Garth, Adam Bede and Solomon Macey. George Eliot's partner, George Henry Lewes, was also recognised through the naming of the organisation's Lewes House building. The Cheverel Wing is named after George Eliot's name for nearby Arbury Hall.

Traineeship success

The Trust supported four trainees who successfully undertook a brand new education and training programme at the hospital.

Traineeships offer valuable work experience for those looking to get an apprenticeship or full time work. The Traineeships were 8 weeks long and involved a combination of work placements in the hospital as well as classroom based support with broadening skills such as budget managing, CV writing, interview skills and IT training.

Following the traineeships work placements were offered within the Stores, Estates and Post Room teams giving each trainee a valuable insight into working within a busy hospital.

Right first time

The Trust got a special mention in the NHS Getting it Right First Time good practice handbook for its specialist nurse phone service for post-op support, which helps avoid unnecessary re-admissions and A & E attendance.

New homebirth bags for community midwives

Community midwives received new homebirth bags to support mums-to-be that choose to give birth to their baby at home rather than in a hospital environment.

The bags, supplied by Baby Lifeline, were kindly purchased by the hospital's League of Friends Charity and will replace the current homebirth bags with standardised equipment following a project from Baby Lifeline.

The new bags and their contents were put together following a survey with midwives and with the support from an expert panel of multi-disciplinary professionals they developed a standardised equipment bag to deliver safe and effective care. The bag includes everything from scissors to cut the cord, to a hat and towels to dry and warm the new born baby, as well as equipment for emergencies that, although rare, can occur.

Health Care Assistant, Tracey Tyler, scoops national "GEM" award

One of our HCAs from Alexandra Ward earned national recognition with a prestigious award from a leading NHS temporary staff provider, NHS Professionals (NHSP).

Tracey Tyler, who works night shifts on the ward, was selected from 500 nominees across England to receive their "Going the Extra Mile" (GEM) Award.

Nominated by nurses who work with her, Tracey took the initiative to improve nutrition on the ward by doing nightly tea and snack rounds to encourage wound healing, all helping to greatly improve patient care and experience.

Celebrating her award, our Nursing Director, Daljit Athwal, said: "Tracey has excellent communication skills and is an exceptionally caring and friendly member of the ward team. She

upholds our Trust values and her colleagues praise her as a fantastic person to work alongside. Well done to Tracey and thank you to our partners at NHS Professionals for recognising her contribution."

Maternity unit rated one of the best nationally for patient satisfaction

Patient satisfaction at the hospital's maternity unit was ranked the second highest of the 63 surveyed by the Picker Institute.

The 2019 National Maternity Patient Satisfaction Survey, which was carried out by Picker on behalf of the Care Quality Commission in 63 acute trusts between April and August, reported the findings.

Areas of celebration are:

- 97% of those surveyed said they were treated with respect and dignity
- 99% had confidence and trust in staff (during labour and birth)
- 96% involved enough in decisions about their care (during labour and birth).

The feedback concluded that a core strength of the Trust's maternity service is that mums can receive support or advice about feeding their baby during evenings, nights or weekends. The results also highlighted significant improvements in some areas for the Trust's maternity services both in comparison to other organisations surveyed by Picker Institute and in comparison to the Trust's results last year. Key areas of improvements include mums feel they are not left alone when worried and partners felt they were able to stay as long as they wanted.

Daljit Athwal, George Eliot Hospital's Director of Nursing, said: "I am thrilled and very proud to see these incredible results. They reflect the dedication of our maternity staff to drive forward changes and improvements to provide the best care to local families and mums-to-be. I am especially pleased to see the areas we have improved on since the last survey. Well done to the Maternity Team."

QSIR Success supports service improvement in the hospital

Clinical Audit & Effectiveness Nurse, Libby Holland is the first Quality, Service improvement and Redesign (QSIR) Teaching Faculty Associate at the hospital – meaning she is now qualified to teach the QSIR Practitioner Programme and use her improvement knowledge to train her colleagues.

QSIR is an accredited, nationally recognised programme which is being used to increase improvement capability and capacity within the NHS by teaching valuable service improvement skills to both clinical and non-clinical staff.

Twenty Five staff from across the Trust are also being trained as practitioners through local delivery with another twelve staff receiving training from the national team.

QSIR provides a framework to hang a project from and focuses on using data to inform improvement, based on small tests of change. The training provides a consistent and sustainable approach, and an opportunity to develop skills and gain accreditation in improvement methodology.

This is already giving staff within our Foundation Group the skills to make quality / service improvements and enhance the care and safety of patients in the hospital and local community.

Operational Performance Overview

For 2019/20, following a series of workshops with senior colleagues in the organisation the Trust's operational structure changed, the divisional level was removed as the staff felt there were too many management layers in the organisation and teams found it difficult to access the Executive team.

Our aim remains to instil accountability from 'Ward to Board' level offering assurance that we are delivering against key performance indicators, monitoring at grass roots level and where necessary, we are able to develop credible plans where targets were not being met.

Our operational performance was reported through the directorate structure. The Executive team held a monthly Integrated Quality and Performance Meeting with the directorates with the aim of holding teams to account for delivery of quality, performance, workforce and financial standards.

Where necessary, the directorates would produce actions to improve performance and these would feed into the performance meetings that the executive team regularly hold.

These operational governance arrangements also fed into the production of the monthly Integrated Performance Report, which was presented by exception to the Finance and Performance Committee and then through to Board level.

Throughout the year we also monitor our performance against a core set of national and local performance indicators, where we endeavour to meet the standard set.

It should be noted that many performance indicators were met or many were higher than the expected range set, however there are some that have not been achieved. The following table (Figure 1.0) shows our results for the 2019/20 period and where the standard has not been met a brief explanation is given at the end of the table.

Figure 1.0: Outcome against of set performance standards

Performance indicator	Standard	2019/20
Safety:		
C Difficile infections [2]	13	23
MRSA bacteraemia infections	0	0
Quality:		
Cancer – two weeks suspected	93%	95.40%
Cancer – two weeks symptomatic breast	93%	95.15%
Cancer – 31 days	96%	100%
Cancer – 31 days – drug	98%	100%
Cancer – 31 days – surgery	94%	100%

[2] C-difficile infections: The implication of this reporting change on the Trust has resulted in an increase in the number of C-Diff cases reported to the PHE. Of the 23 mandatory reportable cases against the threshold 13: 11 cases have been reviewed by the CCG of which 8 confirmed cases were defined as avoidable. (NB I have added this bit for use) --- Since the on-set of the pandemic and the pressures all health care organisations find themselves in, there remains 12 cases still requiring review with our CCG partners. All cases that are classed as unavoidable are discussed through Trust Infection Prevention Assurance Committee where lessons learnt and actions to improved are shared with the senior nursing teams for dissemination across the Trust.

Performance indicator	Standard	2019/20
Cancer – 62 days[3]	85%	79.68%
Cancer – 62 days from screening service[4]	90%	91.89%
Patients seen in A&E <4 hours[5]	95%	75.90%
Patients who leave A&E without being seen	5%	1.87%
Time to initial assessment in A&E in minutes (95th percentile)	<15	2
Time to treatment in A&E in minutes (median time)	<60	39 mins
Readmission within 28 days following discharge[6]	14%	7.42%
Stroke – time on ward[7]	90%	77.64
Patient experience:		
Referral to Treatment (RTT) incomplete non-emergency pathway (92nd percentile)[8]	92%	72.30%
Patients offered an appointment to Genito-Urinary Medicine (GUM) Clinic within 48 hours	95%	95.68%
Patients seen in GUM Clinic – access within 48 hours	95%	95.42%

[3] Cancer – 62 days: There was an ongoing capacity shortfall Robotic Assisted Radical Prostatectomys (RARPs) at University Hospitals Coventry and Warwickshire causing delays to treatment for these patients. The Trust also experienced delays in diagnostic testing both internally and externally. A variety of actions were put in place, and will remain in place, to tackle these delays that include urology patients going 'straight to test'; pathway tracker put in post with pathway co-ordinators reviewing all cancer pathways; a pathway review of gynaecology referrals was instigated and underway during March. Any tertiary centre and / or pathology delays are now escalated to the Director of Operation on a weekly basis.

[4] Cancer – 62 days from screening service: see 3 above as reflective of the impact on the 62-days from screening service rates timeline.

[5] Patients seen in A&E <4hours: Underperformance is as a result of both capacity and flow constraints in the Trust, particularly where discharges occur late in the day. Ongoing actions to improve the standard took place and included:

- The introduction of a new unit specifically aimed at same day emergency care (SDEC). The unit receives patients from the emergency department (ED) then administers treat and discharge takes place on the same day
- Greater focus from directorate managers on length of stay and actions to be completed to increase pace of discharges
- Further work continues to focus on processes within ED

[6] Readmission within 28 days following discharge: see 8 below, as reflective of the impact on the Trust's readmission rates within the 28-day timeline.

[7] Stroke – time on ward: This was mainly due to poor flow of activity throughout the Trust and an increase in length of stay with non-stroke patients on the dedicated stroke ward. Action to improve the use of the dedicated assessment room for strokes only and work to support the transfer of non-strokes to other wards in a timely manner was also being undertaken.

[8] Referral to Treatment (RTT) incomplete non-emergency pathway (92nd percentile): Over the year this was due to the pressure of beds not being available due to emergency pressures in the organization. A rise in backlog peaked during March which was mainly due to patients cancelling their routine treatment and the trust cancelling routine activity whilst preparing for the COVID 19 impact and ensuring capacity was available. An action plan has been developed with key work taking place prioritising the following:

- Those patients with the longest waits to date for Trauma and Orthopaedics and Gynaecology were outsourced to BMI and South Warwick Hospital Foundation Trust for their operations.
- A project team has been set up, and work on site has commenced to deliver a 30 bedded modular ward to target and improve waiting lists going forward.

Performance indicator	Standard	2019/20
Percentage of patients whose operations were cancelled for non-clinical reasons on the day of admission	0.80%	1.43%
Mixed sex accommodation	0	0
Patient safety		
Never Events[9]	0	2
Venous thromboembolism (VTE) risk assessment where all inpatient service users undergo a risk assessment for VTE[10]	95%	92.11%

Performance management framework

Throughout the year using a balanced scorecard approach, set Key Performance Indicators (KPIs) that are reflective of the Care Quality Commission's five key themes to assess care services[1] and the NHS Oversight Framework are used to support the performance management framework.

Detailed performance reports are reviewed at the Trust's Quality Assurance Committee and the Finance and Performance Committee each month, with the Integrated Performance Report then being presented at Board level. Any identified risks that may impact on the achievement of key standards, are evaluated using our corporate risk assessment process, then, where appropriate, included in the Trust risk register and managed closely thereafter through established risk management processes.

Local contract targets and standards, including progress against the 2019/20 Commissioning for Quality and Innovation (CQUIN) schemes are determined by our commissioners and monitored throughout the year at regular meetings with our CCG partners.

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[9] Never Events: One was a side femoral block that had been given to the wrong side and two was where a patient was connected to medical air rather than Oxygen. Full investigations took place that identified no harm came to either patient. Action plans were developed to prevent the reoccurrence of such incidents and compliance of the action plan is being monitored at local directorate governance meetings.

[10] Venous thromboembolism (VTE) risk assessment where all inpatient service users undergo a risk assessment for VTE: A vast amount of work was undertaken over the year to improve the process for assessing VTE in inpatients attending the Trust. An action plan was developed by the VTE assessment steering group and improvements include:

- a review and re launch of the Trust's VTE policy
- the introduction of an e-version of the updated VTE assessment form
- training of all clinical staff on using the above on a dedicated portal
- the actual time the Trust records VTE assessments is incorporated into the e-version
- scrutiny of clinicians at each step of the process; with alerts and triggers when a VTE assessment is due
- completion of each part of the process takes place before being able to move on to the next stage
- compliance rates of the VTE assessments is shared with all ward areas

During the latter part of the year compliance rates were slightly improved with the aim that once the above actions are fully embedded within the organisation they will improve further towards meeting this target

[1] **Safe**: you are protected from abuse and avoidable harm. **Effective**: your care, treatment and support achieves good outcomes, helps you to maintain quality of life. **Responsive**: services are organised so that they meet your needs based on the best available evidence. **Caring**: staff involve and treat you with compassion, kindness, dignity and respect. **Well-led**: the leadership, management and governance of the organisation make sure it's providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Each year, the KPIs are reviewed and the scorecards aligned to reflect changes to national standards and local targets, thereby ensuring we monitor performance effectively over the course of the year.

Key financial performance information

The following summary of financial performance during 2019/20 is drawn from the Annual Accounts which can be found on page 58 below.

The Department of Health and Social Care assesses the Trust's performance against the following four targets, all of which have been achieved.

1. **Income and Expenditure**:

As a minimum the Trust is required to break even each year. In 2019/20 the Trust achieved the breakeven target.

2. **Capital Cost Absorption Rate**:

Within its overall expenditure, the Trust is required to pay the Department of Health and Social Care a sum equivalent to 3.5per cent of average net relevant assets. This payment is known as the Public Dividend Capital (PDC) dividend payment. We were not required to pay any dividend in 2019/20 due to the Trust's negative average net relevant assets position.

3. **External Financing Limit**:

This refers to the agreed amount of cash that the Trust is allowed by the Department of Health and Social Care to consume over and above the amount it generates through its normal activities in year. This may be through a reduction in its own cash balances or receiving cash from external sources. The Trust is expected to stay below its External Financing Limit (EFL) and in 2019/20 it achieved this, spending £16.2m (2018/19 £13.4m) against a target of £16.2m (2018/19 £13.7m).

4. **Capital Resource Limit**:

This is a limit which is imposed by the Department of Health and Social Care on the level of capital expenditure that we can incur in the year. The Trust should maintain its' spend at or below this level. We spent £7.6m (2018/19 £4.9m) against a limit of £7.7m (2018/19 £4.9m, see note 50 to the accounts).

Valuation of Trust Land and Buildings:

The value of the Trust's land and buildings has been assessed by an independent professional valuer. It is based on an alternative site Modern Equivalent Asset (MEA) valuation, undertaken specifically in accordance with the HM Treasury guidance which states that such valuations are an option if the Trust's service requirements can be met from the alternative site, or smaller area on the same site. The last valuation was undertaken on this basis on 1 April 2016. The value of the Trust's land and buildings each year is then subject to revaluation through a desk top exercise including a review of expenditure on buildings during the year.

Other key financial information includes the following:

- 33,382 invoices were paid during the year, of which 20,605 were paid within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust is required to pay 95% of invoices within 30 days, but did not achieve this due to the on-going deficit position during the year.
- Against a turnover of £181.3m, the Trust delivered a break-even position in year with the cumulative position therefore remaining at loss of £71.7m.

- The accounts for the Trust were produced in line with the 2019/20 Department of Health and Social Care Group Accounting Manual (GAM).

Charitable Funds

In 2019/20, donations came from many different sources, including members of the community, patients, carers and local organisations. The total amount donated was £191,000 including legacies amounting to £76,500. Expenditure from the fund, from total resources, was £112,000.

The range of donations received varied from a few pounds to several thousand and a wide variety of fundraising activities have benefited the Charity. The Trust is extremely grateful for donations of any size.

During the year the funds have been spent in a variety of ways. Some examples include:

- Hand held echocardiograms from the BASIC donation for CCU
- Accuvue Vein Finder from BASIC[11] donation
- Arm support on Catheter Lab table from BASIC donation
- Melly Ward conversion to convert the Melly ward store cupboard into a treatment room for Oncology patients who would normally present to A & E
- Recliner chairs for Dorothea
- Lockable drawers for safe storage of Chemotherapy equipment
- Two linen trolleys for developmental aids in SCBU
- GEH Charity branded outdoor PPE wear for Waste and Sustainability Team
- Plinth for use during gym sessions in Therapies

The Charity has also agreed a commitment to provide funding of £80k towards the Serenity garden project, which is currently in progress and due to be completed in 2020/21.

The Trust currently employs one full time Fundraising Co-ordinator who is based in the communications team. The Trust Board of Directors has been significantly assured that the processes for raising awareness around Charitable Funds have improved since the arrival of the Fundraising Coordinator in July 2019.

This role supports fundraising across the whole organisation with a particular focus on key priority areas determined by Trust strategy.

The three main strategic priorities of the Fundraising Coordinator are as follows:

Aim 1: Build awareness of charitable fund with all audiences
Aim 2: Develop relationships
Aim 3: Fundraise for major developments with separate appeals

League of Friends

The hospital's League of Friends, who have been supporting the hospital with donations of essential medical equipment and funding to enhance patient comfort whilst in our care for over 64 years. They raise money from the two tea bars they run in the hospital as well as donations, legacies and sale stalls at the hospital.

The Trust is eternally grateful for their continued funding support to the hospital and the patients we serve.

[11] BASICS: Bermuda and Stockingford Intensive Care Support – a band of local fundraisers who have over the years raised around £400,000 for the Coronary Care Unit at the hospital

Section 2 – Financial Accountability Reports

Overview

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Trust Board considers that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. The information presented within this accountability report has been produced in accordance with Department of Health guidance and we have ensured that we have met all regulations in terms of reporting arrangements.

Corporate Governance Report

Directors' Report

Changes to the Board of Directors

During the year we have seen a number of changes within the Trust Board.

Russell Hardy was appointed to the role of Chairman on 1 April 2019 following Prem Singh completing his term of office on 31 March 2019. Russell already held the Chairman position at both South Warwickshire NHS Foundation Trust (SWFT) and Wye Valley NHS Trust (WVT), and he will continue to do so.

Daljit Athwal was substantively appointed as the Director of Nursing with effect from 1 May 2019, after working in the role on an interim basis since February 2018.

Jenni Northcote was appointed to the role of Director of Strategy, Service Improvement and Primary Care on 11 November 2019. This is a non-voting Board member role and a joint post with Warwickshire North Clinical Commissioning Group, who remains as Jenni's employer.

Sue Wakeman is retiring as Director of Human Resources on 31 March 2019, after joining the Trust in March 2016. Gertrude Nic Philib has been appointed as the Associate Director of People and commences in post on 1 March 2020. This is a new role which has been established to work with the Director of Human Resources for SWFT and GEH.

Andy Laverick was appointed as the Group Digital Strategy Advisor from 1 May 2019, which is a Foundation Group role employed by SWFT Clinical Services Ltd (subsidiary company of SWFT).

The role of the Trust's Board

The purpose of the Trust's Board is to govern effectively and in doing so build patient, public and stakeholder confidence that their health and healthcare is in safe hands. This fundamental accountability to the public and stakeholders is delivered by building confidence:

- in the quality and safety of health services
- that resources are invested in a way that delivers optimal health outcomes
- in the accessibility and responsiveness of health services
- that patients and the public can help to shape health services to meet their needs
- that public money is spent in a way that is fair, efficient, effective and economic.

The Board demonstrates leadership by undertaking three key roles:

- **Formulating strategy** for the organisation
- **Ensuring accountability** by:
    - holding the organisation to account for the delivery of the strategy

- being accountable for ensuring the organisation operates effectively and with openness, transparency and candour and by seeking assurance that the systems of control in place are robust and reliable.

- **Shaping a healthy culture** for the Board and the organisation.

The Executive Team

Executive Directors take the lead in developing strategic proposals, drawing on professional and clinical experience. They lead on the implementation of strategy within functional areas and manage performance within their area.

Executive Directors also actively support and promote a positive culture for the organisation and reflect this in their own behaviour, nurturing good leadership at all levels. They take principle responsibility for providing accurate, timely and clear information to the Board and lead on engagement with specific internal or external stakeholder groups.

Glen Burley
Chief Executive
(voting member, joined July 2018)

Glen Burley was appointed to the role of Chief Executive on 16 July 2018 and also holds the Chief Executive position at both South Warwickshire NHS Foundation Trust and Wye Valley NHS Trust. The three Trusts form the Foundation Group and therefore as Glen divides his time across three sites, a Managing Director at each Trust in the Foundation Group has responsibility for direct operational management and running of the hospital on a day-to-day basis.

David Eltringham
Managing Director
(voting member, joined July 2018)

The Managing Director is responsible for the day to day management of the Trust on behalf of the Chief Executive leading the Executive Team and Chairing the Trust Management Board. This role encompasses internally and externally the development and implementation of the Trust strategy, the management of relationships, engagement with staff and stakeholders and embedding partnerships with key stakeholders to the organisation, overseeing all communications activity across the Trust and the delivery of the Board Assurance Framework.

Haqnawaz Khan
Director of Finance
(voting member, joined December 2017)

The Director of Finance takes a central role in ensuring the development and governance of financial strategies and policies to support the delivery of patient care for the Trust Board. A key member of the Trust Board's Executive Team, providing advice on all matters of financial and charitable fund management, probity and governance.

The Director of Finance leads discussions with commissioners on behalf of the Trust to establish robust contractual arrangements for Trust Services; this includes all service level agreements (SLAs) and the nursing and midwifery bursary (NMB) contracts.

They provide effective and professional leadership to the Finance and Performance Directorate.

The post holds specific responsibility as the executive lead for the performance framework, planning and finance management. The Director of Finance acts as the Lead Executive in support of the Chairs of the Audit Committee and the Finance and Performance Committee.

The Director of Finance has responsibility for the Strategic Estates Partnerships (SEP) estates planning and transformation, and is the Senior Information Responsible Officer (SIRO) for procurement, clinical coding and the Trust information team.

Daljit Athwal
Director of Nursing (substantive from 1 May 2019)
(voting member, joined February 2018)

The Director of Nursing is responsible for the quality, safety, patient experience, governance and productivity of all clinical services and ensuring the Trust's nursing, midwifery and allied health professional (AHP) workforce strategy meets the flexible and changing demands on professional workforce skills and competencies.

The Director of Nursing provides professional leadership for nursing, midwifery and AHPs, advising the Board on all aspects of professional practice for these groups. They are also the Accountable Officer for controlled drugs (CDs) and the Director of Infection Prevention and Control (DIPC).

The Director of Nursing is responsible for adult and children's safeguarding, Prevent12, patient and public involvement and experience, risk management, infection prevention and control, the development and management of the Trust volunteer strategy, smoking cessation and the management of the complaints and chaplaincy teams. The Director of Nursing leads on the development and delivery of systems and processes which relates to Clinical Governance within the Trust.

Catherine Free
Medical Director
(voting member, joined October 2017)

The Medical Director role includes specific responsibility for the development of a forward thinking clinical and quality strategy for the Trust. They are responsible for leading and directing the Trust's medical workforce, patient safety and mortality, end of life care, clinical audit, research and development, job planning, revalidation and medical education and training. This role also acts as a Guardian of Safe Working Hours and the output of the medical rota team.

The Medical Director is the Responsible Officer for Medical Revalidation, is responsible for the clinical sign off of complaints and acts as the organisation's Caldicott Guardian.

Stephen Collman
Director of Operations
(non-voting member, joined February 2019)

The Director of Operations is responsible for co-ordinating and delivering performance against national and local clinical operational and performance standards. The Director of Operations is responsible for ensuring that there is an operational structure in place which has the capacity and capability to lead services to deliver against these standards. This role provides high profile leadership which adheres to the core values of the Trust, with responsibility for ensuring the delivery of safe and high quality patient care by each of the clinical divisions and directorates through a robust system of planning, service delivery and performance management.

The Director of Operations is responsible for the leadership of service development, elective and emergency care transformation and productivity and efficiency. The Director of Operations has a key role to play in integration with the wider health and social care system to ensure it is fully developed in line with the overarching corporate strategy.

The Director of Operations leads on estates, facilities and security management, hotel services, health and safety, mental health, radiation protection and emergency preparedness.

[12] **Prevent** focuses on all forms of terrorism and operates in a 'pre-criminal' space'. The **Prevent** strategy is focused on providing support and re-direction to individuals at risk of, or in the process of being groomed /radicalised into terrorist activity before any crime is committed.

Sue Wakeman

Director of Human Resources (retiring on 31 March 2020)
(non-voting member, joined March 2016)

The Director of Human Resources oversees the development and delivery of the workforce strategy and implementation plans and acts as the Board's Expert Advisor on Human Resources, Employment Tribunal activity, organisational development and education and training. This includes the provision of a strategic and professional advisory service to the Trust in respect of people management, staff experience, and engagement, and development and demonstration of the Trust's value pledges at all times. In addition, the role covers workforce health and wellbeing, occupational health, equality and diversity, employment legislation and medical staffing.

The Director of Human Resources also acts as the executive lead for Freedom to Speak Up and is the Chief Knowledge Officer for the Trust.

Andy Laverick

Director of Information Technology
(non-voting member, joined March 2016 to 30 April 2019)

The Director of Information Technology (IT) is responsible for the development of an Information and Communication Technology Strategy for the next five years. Priority areas for work includes Electronic Patient Record and the development of IT management systems. The role is responsible for developing improved IT links and communication with GPs.

The Director of Information Technology leads the development of a shared service/strategy for IT across the local system. He is responsible for information governance and Freedom of Information (FOI) requests and health records management.

Following a restructure of IT responsibilities, changes were made to this role and Andy Laverick was appointed as the Group Digital Strategy Advisor from 1 May 2019, which is a Foundation Group role employed by SWFT Clinical Services Ltd (subsidiary company of SWFT). The Director of IT role is no longer a member of the Board with effect from 1 May 2019.

Jenni Northcote

Director of Strategy, Service Improvement and Primary Care
(non-voting member, joined November 2019)

The Director of Strategy, Service Improvement and Strategy is responsible for developing and leading the Trust's strategy formulation, business planning, Programme Management Office (PMO) and Transformation Programme. This includes interpreting relevant national and local strategy, policy and guidance, learning from other organisations and reviewing the Trust's own policies and frameworks. The role is also responsible for commissioning and undertaking original research, and being able to perform complex and rigorous statistical and financial analysis.

Non-Executive Team

Non-Executive Directors bring independence, external perspectives, skills and challenge to strategy development. They hold the Executive Team to account for the delivery of strategy and offer purposeful, constructive scrutiny and challenge. They also act as chairs and participants of Board Sub-Committees with responsibility for scrutiny of strategies and plans and the provision of assurance to the Trust Board that such plans are being delivered, and that the reasons for non-delivery are understood and suitable constructive actions are being taken.

Non-Executive Directors actively support and promote a healthy culture for the organisation and reflect this in their own behaviour helping to provide visible leadership within the organisation. They also satisfy themselves of the integrity of financial and quality intelligence including getting out and about to observe and talk to patients and staff. They ensure the Board acts in the best interests of patients and the public.

The non-executive team has included the following members during the 2019/20 year.

Russell Hardy – Chairman
Chairman since 1 April 2019

Julie Houlder – Non-Executive Director and Vice-Chair
Non-Executive Director since 1 May 2016

Glynis Washington - Non-Executive Director
Non-Executive Director since 1 April 2018

Rebecca Khanna - Non-Executive Director
Non-Executive Director since 1 April 2018

Anil Majithia - Non-Executive Director
Associate Non-Executive Director from 1 April 2018, Non-Executive Director from 1 September 2018

Simone Jordan - Non-Executive Director
Non-Executive Director since 29 October 2018

Board Sub-Committees

Audit Committee
The Audit Committee is a Sub-Committee of the Trust Board whose principal purpose is to assist the Board in ensuring that it receives proper assurance as to the effective discharge of its full range of responsibilities. Its duties include providing an independent and objective review of the Trust's systems of internal control, including financial systems, financial information, governance arrangements, approach to risk management and compliance with legislation and other regulatory requirements, monitoring the integrity of the financial statements of the Trust and reviewing the probity of all Trust communications relating to these systems.

NED Membership of the Committee in 2019/20:
Julie Houlder (Chair)
Rebecca Khanna
Anil Majithia

Finance and Performance Committee
The Finance and Performance Committee is a Sub-Committee of the Trust Board whose purpose is to ensure that financial and operational performance is effectively managed and controlled within the Trust.

NED Membership of the Committee in 2019/20:

Anil Majithia (Chair)
Simone Jordan
Glynis Washington

Nominations and Remuneration Committee
The Nominations and Remuneration Committee is a Sub-Committee of the Trust Board whose purpose is to determine appropriate remuneration and terms of service for the Chief Executive and other Executive Directors. It also regularly reviews the structure, size and composition (including skills, knowledge and experience) required of the Board and will make recommendations to the Trust Board as appropriate, regarding any changes.

NED Membership of the Committee in 2019/20:

Russell Hardy (Chair)
All Non-Executive Directors

Quality Assurance Committee
The Quality Assurance Committee is a Sub-Committee of the Trust Board that ensures that all issues relating to quality governance, clinical quality and patient safety are considered in a holistic and integrated way.

NED Membership of the Committee in 2019/20:

Glynis Washington (Chair)
Simone Jordan
Rebecca Khanna

Foundation Group Strategy Sub-Committee

The Foundation Group Strategy Sub-Committee is a Sub-Committee of the Trust Board and operates as a 'Committee in common' between the three Trusts in the Foundation Group. Its purpose is to advise the Trust Board on all matters relating to identifying and sharing best practice at pace.

NED Membership of the Committee in 2019/20:

Julie Houlder

Workforce Development Committee (until 7 May 2019)

Workforce Development Committee was a Sub-Committee of the Trust Board until 7 May 2019. The Committee was responsible for providing the leadership, oversight and assurance on the strategic aspects of the Trust's workforce.

The Board agreed to stand down the Workforce Development Committee with immediate effect at its meeting on 7 May 2019. The Committee's business was then transferred into the Quality Assurance Committee and, Finance and Performance Committee.

Charitable Funds Committee/Charity Trustee

As part of the general review of the Board's governance arrangements during 2019, consideration was given to the governance of the Trust's Charity. The Board considered a proposal at its meeting on 7 May 2019 and approved the move to a Charity Trustee arrangement for the management of the Trust's Charity and disband the Charitable Funds Committee.

As an NHS Trust, the Trust's Charity is established as a corporate trustee, meaning that the organisation as a legal entity is the Trustee, and the voting Board members are agents in this regard, carrying out the Charity's wishes. Therefore, Board members are not Trustees in their own right and the Charity Trustee is not a Sub-Committee of the Trust Board. The Charity Trustee is chaired by Non-Executive Director Anil Majithia, on behalf of the Chairman, and includes all voting Board members.

Register of Interests

Board Member Name	Role	Discription of Interest
Voting Members		
Daljit Athwal	Director of Nursing	Nil Return
Glen Burley	Chief Executive Officer - GEH	Chief Executive - Wye Valley NHS Trust. Chief Executive - South Warwickshire NHS Foundation Trust. Spouse Chair of Governors at Myton School, and Spouse Practice Nurse at Rother House Medical Centre
David Eltringham	Managing Director	Married to Group Director of Nursing Sandwell & West Birmingham Hospitals NHS Trust.
Catherine Free	Medical Director	Nil Return
Russell Hardy	Chairman	Chairman of Nuffield Health. Chairman and majority owner of Maranatha 1 Ltd (trading as Fosse Healthcare Limited and Fosse ADPRAC). Chairman of Cherished. Chairman of South Warwickshire Foundation Trust, and Chairman of Wye Valley NHS Trust
Julie Houlder	Non-Executive Director	Non-Executive Director Derbyshire Health Services NHS FT Trust. Chair - Josiah Mason Trust. Associate - Charis Consultants Ltd. Director Windsor Academy Trust, and Owner - Elevate Coaching Ltd.
Simone Jordan	Non-Executive Director	Managing Director - Simone Jordan & Associates Ltd Nottingham Business School – Visiting Fellow Associate Non-Executive Director - Royal Orthopaedic Hospital De Montfort University - Honorary Senior Lecturer Member of CIPD – Chartered Institute of Personnel & Development Member of Institute for Organisational Development
Haq Khan	Director of Finance	Member of HfMA. Member of CIPFA.
Rebecca Khanna	Non-Executive Director	Health & Care Professions Council Partner Visitor Royal College of Occupational Therapists Accreditor Royal College of Occupational Therapists Learnning & Development Board Company Secretary, Raj Khanna Associates Ltd Kind Edward VI College Community Governer, and Owner Shared Wisdom Ltd
Anil Majithia	Non-Executive Director	Governor, Vice Chair, and Chair of Audit Committee - North Warwickshire and South Leicestersire College. Member/Non Executive Director - Leicester and Leicestershire Enterprise Partnership. Trustee & Chair of Governance Committee - The Air Ambulance Service, and Chair, Regional Advisory Board, Canal and River Trust East Midlands.
Glynis Washington	Non-Executive Director	Nil Return
Non-Voting Members		
Stephen Collman	Director of Operations	Nil Return
Sarah Collett	Acting Trust Secretary	Acting Trust Secretary at South Warwickshire NHS Foundation Trust, and Company Secretary at SWFT Clincial Services Ltd.
Gertie Nic Philib	Asocitate Director of People	Nil Return
Jenni Nortcote	Director of Strategy and Service Improvement	Joint appointment with Warwickshrie North Clinical Commissioning Group.
Sue Wakeman	Director of Human Resources	Nil Return

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

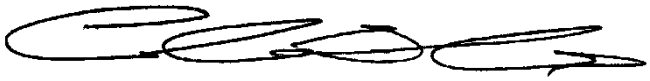
The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

By order of the Board



Glen Burley
Chief Executive
12th June 2020

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

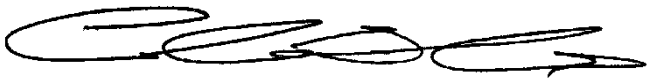
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board



Glen Burley
Chief Executive
12th June 2020

Haqnawaz Khan
Finance Director
12th June 2020

Governance Statement 2019/20

1. Scope of responsibility

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

2. The Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of George Eliot Hospital NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts.

3. Capacity to handle risk

The Board has established the following governance arrangements for risk management:

- Chief Executive: As Accountable Officer, takes Board-level responsibility for governance, including risk management, and has overall responsibility for maintaining an effective risk management system and for meeting all statutory requirements. Executive directors and clinical directors have delegated responsibility for governance and risk management arrangements within their areas of control.
- Board of Directors: The Trust Board and Chief Executive ensure that the risk management arrangements are implemented, monitored and reviewed, and meet all legal and regulatory requirements. The Board receives reports from the Audit Committee, the Finance and Performance Committee and the Quality Assurance Committee on the Trust's risk control measures.
- Audit Committee: monitors the effectiveness of the risk management arrangements (operational, non-clinical and financial) on the Board's behalf.
- Finance and Performance Committee: a subcommittee of the Board of Directors and meets on a monthly basis. The committee had responsibility for monitoring both financial and operational performance. This includes the management of financial and workforce risks to ensure targets are met.
- Quality Assurance Committee: a subcommittee of the Board of Directors. It has responsibility for managing, mitigating and monitoring risks in relation to quality and safety.
- Workforce Development Committee: The Workforce Development Committee was a sub-committee of the Trust Board until 7 May 2019 when the Board agreed to stand down the Committee with immediate effect. Until the Committee was disbanded, it provided leadership, oversight and assurance on strategic aspects of the Trust's workforce, including aspects of planning, development and education related needs, as well as organisational development, capacity and culture. It also monitored plans to mitigate risks in relation to the Trust's workforce. The Committee's business was transferred into the Quality Assurance Committee and Finance and Performance Committee.
- Information Governance Group: The Trust has an established Information Governance Group, with responsibility for overseeing day-to-day information governance issues, developing and maintaining policies, standards, procedures and guidance, and reviewing

related issues and risks, reporting to the Trust Management Board. The Medical Director, the Trust's Caldicott Guardian, supported by the Information Governance Manager, is responsible for the establishment of policies for the control and appropriate sharing of patient information with other agencies. The Finance Director is the appointed Senior Information Risk Owner (SIRO) and chairs the group.

- Executive risk committee: This Committee was established in May 2019 and is responsible for ensuring that the Risk Management Strategy is implemented effectively and that there are core processes in place to manage risks across the organisation.

4. The risk and control framework

The Trust has adopted an integrated framework for risk management supported by policies and procedures. This framework maps the key risks to the Trust's principal and strategic objectives, and to Care Quality Commission (CQC) outcomes, where applicable. These are referenced to the risk register to ensure the potential risks that threaten the achievement of the Trust's objectives are identified. The framework also highlights the existing control measures and assurances in place.

The Risk Management Strategy is approved by the Board and reviewed annually. The strategy identifies the flow of risks from Board to ward and vice versa. It is published widely and includes:

- the aims and objectives for risk management in the Trust;
- the relationship between the relevant committees and their responsibilities;
- the role of key individuals with responsibility for advising on and co-ordinating risk management activities;
- risk appetite;
- a description of the processes that the organisation employs in reviewing risk management arrangements and in gaining assurance on risk management; and
- guidance on what is acceptable risk to the organisation.

The strategy defines the risk management process including risk identification, analysis, and evaluation and requires that all hazards are assessed, and risks recorded in a standard format risk register and prioritised using a consistent scoring methodology.

Risk appetite is determined by the amount of risk exposure, or potential adverse impact from an event, that the organisation is willing to accept, tolerate, or be exposed to at any point in time. In order to achieve the strategic objectives of the Trust, the Trust Board considered tolerance levels and thresholds that define acceptable and unacceptable levels of risk.

The Risk Management Strategy was reviewed and approved by the Board in July 2019. The strategy clearly states that it is the responsibility of all staff to identify and communicate risk through the line management structure and, ultimately, to the appropriate committee. This responsibility is reinforced through annual statutory update training. Directorates are required to maintain systems and processes that enable them to operate within the Risk Management Strategy.

The risk management system is continually reviewed to ensure that robust systems are in place at all levels within the Trust. The risk register is an integral part of the system.

Arrangements for validating and managing the treatment of risk are managed at Directorate level. Risks which cannot be managed within Directorate resources are escalated and discussed at the Executive Risk Committee.

The Executive Risk Committee (ERC) is an executive board, with responsibility for promoting local responsibility and accountability. It monitors the risk management process across the Trust, and the risk assessment and assurance arrangements within the directorates.

To ensure robust risk management processes are adopted across the Trust ERC receives on a rotational basis a report from the Chair of the Directorate Governance Groups highlighting all extreme (20-25) and high (12-16) risks on the directorate risk register.

In addition the ERC reviews all risks detailed within the Corporate Risk Register and, on a quarterly basis, reviews the Board Assurance Framework. This enables the Trust to ensure an effective level of internal control, safety and quality.

Communication and consultation is undertaken with internal and external stakeholders when appropriate. The Trust has continued to develop communication channels with its partners, and within the Trust. Regular reports are prepared for directorates and divisions, the Quality Assurance Committee and the Trust Board on the incidents reported, both clinical and non-clinical.

All identified risks which involve public stakeholders, including the CQC, clinical commissioning groups and NHSI, have been dealt with in an open and transparent way, using the appropriate recording mechanisms and communication with the public.

The Trust involves stakeholders by informing and consulting on the management of any significant risks. Stakeholder involvement is sought through:

- monthly public Board meetings and information provided on the Trust's website (www.geh.nhs.uk);
- a wide range of communication and consultation mechanisms which already exist with relevant stakeholders, both internal and external;
- consultation on appropriate policy documents – stakeholders have the opportunity to comment on the risk elements; and
- the Community Engagement Group's role has changed during this year to ensure that members are responsive to current stakeholder engagement needs, have the right contacts, commitment and capacity to fulfil their roles and are able to actively respond to an increased level of stakeholder engagement. The panel members have no statutory or legal powers, but act as an important link to the hospital membership and the wider community.

There is a fully established Internal Audit programme approved by the Audit Committee in the Internal Audit Work Plan, and the Audit Committee receives reports which provide assurance of the Trust's key internal control objectives. The Internal Auditor presents an Annual Audit Opinion to inform those charged with governance on the overall level of assurance for the system of internal control. Internal Audit recommendations are tracked in a system to record action taken and completed.

The Trust has an established counter fraud service, provided by a Local Counter Fraud Specialist (LCFS). In addition to investigation work, the LCFS also carries out an agreed amount of proactive work at the Trust, which includes fraud awareness presentations and workshops, review of Trust policies and procedures to identify the key areas of fraud risk, and production of newsletters and articles to inform staff of local and national counter fraud work and investigations.

The LCFS regularly attends the Audit Committee meetings and reports back to both the Director of Finance and Performance and the Audit Committee on any proactive or reactive work undertaken at the Trust. Please refer to page 38 below for information on work completed in 2019/20.

Control measures are in place to ensure that all of the Trust's obligations under equality, diversity and human rights legislation are complied with. The Trust has an Equality and Diversity Forum, sponsored by a non-executive director and chaired by the Director of Human Resources. Its purpose is to promote equality of opportunity, treatment, dignity and respect for all patients, staff and members of the communities that the Trust serves. The group advises and makes recommendations to the Board of Directors, committees and other groups on equality and diversity matters, compliance with statutory and other requirements and areas for improvement.

The Trust policy on the development of policies ensures that all Trust policies must be equality impact assessed before seeking approval from the Board.

The Workforce Development Committee was a Board sub-committee, chaired by a non-executive director, until 7 May 2019 at which point it was determined that the work of the committee could be more appropriately be transacted through the Quality Assurance Committee (QAC) and Finance and Performance Committee (F&P). The Workforce Development Committee and latterly the reports into QAC and F&P provide a method for leadership, oversight and assurance of the Trust's

strategic workforce approaches. This reporting enabled Trust Board to take assurance on the effectiveness of the human resources activity being undertaken to provide high quality, safe and effective patient care, which included staff experience, workforce planning, resourcing, employee relations education, learning and organisational development.

Trust Boards are required to oversee workforce issues and understand the detail of any risk to safe high quality care. Through the QAC and F&P committees the Trust has received assurance on nurse staffing level reporting, which is well developed following National Quality Board (NQB) 2016 guidance. Nurse reporting includes monthly reports on safe staffing, which includes recruitment and retention as well as 6 monthly reporting on acuity reviews. Assurance on medical staff deployment has been achieved through bi-annual reporting on medical workforce numbers, monthly reporting on temporary staffing usage, Guardian of Safe Working quarterly reports, Job planning updates quarterly and Appraisal and Revalidation reports. The Trust continues to support work across the Foundation Group to assess any gaps against the 2018 "Developing workforce safeguards" and take appropriate action to respond to and address the gaps.

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's regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the scheme are in accordance with the scheme's rules, and that the scheme's member records are accurately updated in accordance with the timescales detailed in the Regulations.

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

Following previous investment to install a combined heat and power (CHP) unit, the Trust has continued to reduce consumption of electricity year on year. In addition to the CHP project, the Trust has also invested replacing the existing lighting with more energy efficient LED lighting. Development of the building management system is on-going and the software upgrade will further improve the Trust's plant and equipment emissions and energy efficiencies.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. Following the latest CQC inspection in December 2019, the CQC issued the Trust with three regulatory actions. Whilst a number of improvements had been noted, the CQC's overall rating of the Trust remained the same as the previous inspection: Requires Improvement. Actions have been implemented to both address the areas highlighted by the CQC and ensure continuous improvement where the CQC identified good practice. The Trust has an overall improvement plan which is formally monitored on a monthly basis by Directorate Teams and the Trust Board.

The Trust has an on-going internal CQC self-assessment process, which continues to undertake unannounced inspection visits to areas, wards and departments. This provides the Trust Board with on-going assurance on compliance or highlights areas of non-compliance and ensures action plans are completed to address any concerns or issues raised. This is monitored through the Quality Assurance Committee. The Trust operates a Serious Incident Requiring Investigation (SIRI) system where incidents are recorded and investigated, and action is taken to prevent similar incidents in the future. Serious incidents and Never Events (should they occur) are investigated and reported to the Quality Assurance Committee and discussed and signed off by the Medical Director at a monthly Serious Incident Group. They are also reported to the Board of Directors private session on a monthly basis and to the public session on a quarterly basis.

Risk assessment

The Trust has adopted an approach to risk management with the structures and processes in place to successfully deliver the risk management objectives. Leadership arrangements are defined within the Trust and are supported by job descriptions and objectives.

Leadership has been further embedded at Directorate level, where managers have responsibility for risk identification, assessment and analysis. All staff are required to complete mandatory and essential update training, which covers risk management, risk assessments and health and safety training. All new members of staff are required to attend a mandatory induction (supplemented by local induction), which covers all key elements of risk management, including Freedom to Speak Up.

The Trust has a Board Assurance Framework (BAF) that is part of the regular performance reporting and management arrangements, both to the Board and its sub-committees. The BAF provides a comprehensive framework for the management of the principal risks to delivering the Trust's strategic objectives, as identified in the 10-point plan. The framework examines the system of internal control and records the actions to be taken to address gaps in control and/or assurance. During 2018/19 the Board undertook a complete refresh of the BAF, to ensure it was much more aligned to the Trust's Strategy, the 10-point plan. This refresh involved an externally facilitated Board workshop, followed by one-to-one sessions with each of the Executive Directors to define the controls and assurances to each of the risk areas. During 2019/20 the process and format of the BAF was revised. The new quarterly review process ensures the Executive Directors undertake a review of their risks prior to submission to the appropriate Board Sub-Committee for scrutiny of their respective elements. Comments are then captured in the BAF before submission to the Executive Risk Committee for challenge and overall review of the BAF. Once the comments from the Executive Risk Committee have been captured, the BAF is locked down and submitted to Trust Board on a quarterly basis. The Audit Committee considers the assurance on the process being in place and live. During 2019/20 an audit of the BAF and Risk Management processes was undertaken and the findings and actions will be taken forward during 2020/21.

The framework identified areas where the control framework needed improvement and two 'red' risks were identified. Action plans were put in place to mitigate the risks and to make improvements to controls. These were routinely reported to the Quality Assurance Committee, and Finance and Performance Committee which included:

- delivery of long and short terms financial plans; and
- patient flow within urgent care not being managed effectively which impacts on patient care and experience.

Delivery of the 2019-20 financial target was prioritised with a number of recovery actions being identified and progressed. The plan for 2020-21 is dependent upon the delivery of a savings programme, which will be delivered using a transformational approach to changing processes. In addition, the Trust is working with the STP to agree joint plans which will improve the financial sustainability across the local healthcare region.

The arrangements to improve patient flow within urgent care has been closely monitored throughout the year by the local delivery board and included in relevant improvement plans. The Trust has invested in opening an Ambulatory Care Unit to address some of the flow issues.

Delivery of the long term financial sustainability continues to be a significant risk for the Trust. There has been enhanced controls around expenditure including temporary staffing and discretionary spend. Also restructuring and strengthening of the financial function. The risk has been implemented as a joint Project Management Office (PMO) and a mid-year aligned incentive contract to be agreed with Warwickshire North Clinical Commissioning Group (WNCCG) that builds on the 2019/20 contract.

Each action plan is owned by an executive director and they are held to account for progress at the respective Board sub-committee and Audit Committee.

The Trust has also undertaken work in the year in order to prepare for the exit from the EU. DHSC has produced EU Exit Operational Guidance which outlines the actions that providers and commissioners of health and social care services should take to prepare for, and manage the risks. In addition, regional teams coordinate and provide guidance, followed by auditing, to ensure compliance. The Trust has carried out impact assessments on the risks of access to skilled staff

and identified a low risk. A review of consumables has been undertaken and identified a small number of products where the Trust should hold additional supplies to manage this risk. National arrangements are in place to ensure the continuation of drugs supplies. Although this event did not occur in year, the risk continues to be monitored through the corporate risk management process and action will be taken as necessary.

The Trust identified the risk of Covid-19 as the potential impact became more apparent in the latter stages of the year. The detailed risk register is currently being reviewed to ensure that all key risks are recorded together with the actions that have been put into place to manage these risks. Early in March the Trust actioned the established major incident procedure and business continuity plans to manage the initial outbreak followed by the introduction of a command structure which operates at three levels. The Gold command level is a daily meeting of directors with responsibility for oversight, decisions required at executive level and interacting with the wider regional healthcare system to ensure a co-ordinated response. Silver and bronze meetings take place at a tactical and operational level throughout each day, providing a forum for issues to be escalated quickly and for decisions to be made appropriately. Key issues considered include staff cover, the availability of personal protective equipment and the requirement for additional items, as well as the capacity management of patients in the hospital and the level of oxygen supplies. Whilst being introduced at pace, this structure has worked effectively.

The Board is satisfied that the Trust has plans in place which aim to comply with existing targets where ever possible and where performance does not meet the target the Trust has plans to recover this position as quickly as possible without compromising patient safety. The Board also has a commitment to comply with all known targets going forward. The Board will ensure that the Trust operates effectively at all times. This includes maintaining its register of interests, ensuring that there are no material conflicts of interest in the Trust Board, and that all Board positions are filled, or plans are in place to fill any vacancies. The Board is satisfied that all Board members have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks, and ensuring management capacity and capability. All Board members complete a 'Fit and Proper persons' declaration annually.

In addition to the Board Members Register of Interests, the Trust has also sought updated declarations of interests (including nil returns) from all decision-making staff, as per its Managing Conflicts of Interests Policy.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

The Trust has a number of processes in place to ensure that resources are used economically, efficiently and effectively. The Trust has an established process for budget setting, monitoring and reporting. A new finance and procurement system has also been implemented, which went live in February 2020. Internal Audit has reviewed the financial systems during the year with a focus on receivables, payables and payroll. Recommendations were made to update procedures and to improve processes relating to changes in supplier details, debt write-offs, starters, leavers and salary overpayments. A number of improvements have been made and will be embedded over the coming months. In addition, the Board reviews the scheme of delegation annually to ensure it is appropriate for the on-going management of resources.

NHSI undertook a 'Use of Resources' assessment at the Trust on 12 February 2020 and the report with the final conclusion has not yet been received.

In 2019/20, the Trust planned to breakeven, which was in-line with the control total agreed with NHSI. This included receiving £15.7m from the Provider Sustainability Fund (PSF), and the Financial Recovery Fund (FRF) conditional upon the Trust achieving financial targets. The original plan excluding PSF and FRF income has been achieved in year. The Trust has therefore achieved

the financial performance target required to earn the PSF/ FRF income. However, the Trust remains in cumulative deficit and does not yet have a financial recovery plan in place. The Trust did not meet the efficiency savings target of £8.3m in year, delivering £5.1m of savings.

A draft financial plan for 2020/21 was prepared and submitted to NHSI in March. However, the NHSI planning process has been suspended in order to focus on management of the pandemic. The Trust has prepared an interim budget based on the funding guidance during this period, which has been approved by the Trust Board. This plan assumes that funding will be provided to cover expenditure during the period, including the exceptional costs of the pandemic, in line with NHSI guidance. The annual plan will be revisited later in the year when it is anticipated that the recovery phase will commence and further guidance will become available.

In recent years, External Auditors have been required to issue an annual Section 30 letter to the Secretary of State for Health because the Trust has not met its statutory duty to break even over a five year period. Although the Trust has achieved breakeven for 2020/21, the cumulative deficit over this period means that a letter will be required to inform the Secretary of State that the Trust is in breach of its statutory break-even duty for the five years ended 31 March 2020. The External Auditors are required to carry out audit work to establish whether proper arrangements are in place for securing economy, efficiency and effectiveness in the use of its resources. External Audit will then report on any significant risks to achieving this and areas where proper arrangements cannot be evidenced.

6. Information Governance

George Eliot Hospital NHS Trust achieved compliance with the Data Security and Protection Toolkit for 2018/19. This was achieved by submitting evidence for all mandatory assertions in September 2019. Due to the current COVID-19 crisis the deadline for submission of the 2019/20 has been extended to September 2020. The Trusts current status is “Standards Met”.

The Trust reported two incidents to the Information Commissioners Office (ICO) during the year. For the first incident the ICO found that the Trust had taken appropriate steps to prevent harm to the data subject and prevent further incidents. The ICO required no further action from the Trust. The second incident remains under investigation by the ICO and at the time that this report was completed, the Trust was cooperating with their investigation.

The Trust has not had any enforcement notices or undertakings from the ICO within the financial year.

7. Data quality and governance

The Trust has an established process for managing the elective waiting list including a weekly Patient Tracking List meeting with directorates. In support of this, operational validation and management of active pathways is undertaken by the Trust’s Pathway Tracker team. Additionally, the Data Quality team have a comprehensive suite of reports available to enable them to identify themes and patterns of poor operational processes for correction and also to provide validation of admitted care stop-clocks each month.

The Data Quality team undertake regular audit on all elements of the elective waiting list pathways, any discrepancies are investigated and highlighted to the relevant directorate for action. Training needs are identified and supported by the Data Quality team.

8. Review of the effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of

the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Quality Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board reviews its governance arrangements every year. This included review of the Trust's Standing Orders and Standing Financial Instructions, which contain the scheme of delegation (reporting to Board in April 2020). The use of the Trust's seal and Register of Interests is also reviewed as well as updates of relevant Board sub-committee Terms of Reference.

In 2018, the Trust commissioned a developmental review from NHS Improvement on the function and structure of its Board Sub-Committees, which included a desk-top review of three months past papers and related documents and the observation of one Committee meeting. The output reports from this review were used to improve and develop the Board Sub-Committees throughout 2018/19 and 2019/20.

Board reporting

The Board meets monthly throughout the year in public and private. A performance report is received each month with performance overviews provided by the director responsible for performance in each area and the risks reviewed. During 2019, the Board changed the delegated responsibility for approving any changes to Trust policies from the Trust Management Board to the Policy Review Group. The Policy Review Group will be chaired by the Managing Director and the first monthly meeting was scheduled to be held in April 2020. However, this has been deferred due to current operational challenges and will commence as soon as possible. The Group will review, amend and approve changes to Trust policies with a summary report to the next Board meeting. It receives updates from the chair of each Board sub-committee following individual committee meetings highlighting the key points discussed and any issues which require escalation. This includes a report from the Chair of the Audit Committee. The Board reviews and approves the terms of reference for each committee on a regular basis and receives a formal Annual Report and effectiveness review from the Audit Committee.

As part of the national NHS response to the Covid-19 outbreak, the Chief Operating Officer at NHS England and NHS Improvement sent a letter to all NHS Providers and Commissioners on 28 March 2020. This provided guidance to support organisations to free-up management capacity and resources as much as possible, to prioritise what is necessary to manage the response to the Covid-19 pandemic. The Trust's Chairman and Chief Executive Officer also produced a protocol for the continuation of Board and Board Committee business to be used across the Foundation Group.

In accordance with the guidance, the Trust Board and Board Committee's agendas and reports were streamlined for the meetings in April and May 2020 to ensure they focussed on key business and the meetings were held virtually. Consideration will be given nearer the time as to whether this would also be appropriate for the meetings in June 2020 depending on the Covid-19 position. To help demonstrate good governance, a report is being submitted to Trust Board on 5 May 2020 with a list of Trust Board reports that have not met the scheduled submission, in accordance with the Schedule of Business due to the impact of Covid-19, with the revised date of submission for the Board's information.

Board effectiveness

The Board has a process in place to regularly review the effectiveness with which it operates. Governance arrangements are also subject to review by Internal Audit annually. In the past 12 months, Internal Audit reviews have included the data security and protection toolkit which is an advisory audit reviewing the robustness of the evidence to support self-assessment against assertions and information governance standards.; Statutory and mandatory training (substantial assurance) and a review of arrangements for reporting and acting on serious incidents (substantial assurance). An audit of the Board Assurance Framework (BAF) was undertaken in March 2020 and the findings and actions are being worked through for implementation during 2020/21.

The Board has been assured that there are robust mechanisms to ensure that the evidence to support compliance is in place and available, and is routinely monitored and reported upon within the Trust's governance and performance management framework.

Internal controls review process

The process that has been applied to maintain and review the effectiveness of the system of internal control was as follows:

The Trust's Audit Committee approved an annual Internal Audit programme and received all Internal Audit reports. The Committee, with the support of the Quality Assurance Committee, reviewed the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical), that supported the achievement of the organisation's objectives. In 2019/20, the Committee submitted an Annual Report on the previous 12 months to the Trust Board which highlighted the work of the Committee with regard to the final accounts, risk management and the Board Assurance Framework and progress made on improving the system of internal control. The report concluded a successful and effective year. The Committee reviewed its own effectiveness in accordance with the Healthcare Financial Management Association (HFMA) Handbook for NHS Audit Committees and reviewed its Terms of Reference.

The Quality Assurance Committee, on behalf of the Board of Directors and Chief Executive, reviewed the establishment and maintenance of an effective system of risk management across the whole Trust's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives with regard to quality. The effectiveness of the Committee will be reviewed as part of the annual process and its work plan has been reviewed as part of a streamlining process to reduce duplication and ensure the Committee focuses on key areas.

The Quality Assurance Committee receives quarterly reports from the Clinical Audit and Effectiveness team and monitors the Trust's participation in local and national clinical audit and national confidential enquiries, Directorates receive a quarterly report from the Clinical Audit Department as part of a directorate governance meeting highlighting audit progression, audit findings and issues. This enables the directorate management team oversight and ownership of their audit programme.

The Internal Audit's review of the organisation's overall arrangements for gaining assurance has concluded that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective".

The work performed by Internal Audit during 2019/20 has been driven by a robust planning process, which included a focus on particular areas of potential weakness identified by the Trust. Internal Audit reviews have been completed to plan and the recommendations made have been accepted and are being actioned by the Trust. There are three areas where only partial assurance has been given – nursing documentation follow up review, financial management and budgetary control and discharge management. In addition partial assurance was given to specific areas within the reviews of medical staffing employment checks (for completion of statutory and mandatory training) and key financial controls (in respect of payroll specifically the management of overpayments, retention of vacancy approval forms and exception reporting). Management have been fully engaged in making improvements to these areas to address the weaknesses identified, with action updates being reported to each Audit Committee meeting. However, progress has been delayed in some areas as the Trust focusses on the operational challenges of the next few months. During this period, individual actions are being reviewed by the executive directors to confirm their applicability and to agree realistic timescales for completion of recommendations where applicable.

With regard to counter fraud and corruption arrangements during 2019/20, there have been five new referrals and four referrals were brought forward from the prior year. Five have been concluded, three are pending closure and one remains on going. The potential financial value of the referrals was not material to the overall finances of the Trust.

The Local Counter Fraud Specialist (LCFS) has supported the Trust to ensure that investigations are carried out promptly and efficiently. In addition, the LCFS has continued to carry out proactive work at the Trust in line with NHS Counter Fraud Authority Standards, to prevent, detect and deter fraud and bribery within the NHS and to also raise awareness of the role of the counter fraud specialist within the Trust and the NHS as a whole. The self-assessment of compliance with the NHS Counter Fraud Authority Standards rated the Trust as green. Other work has included a comprehensive fraud risk assessment; full review of pre-employment, procurement and invoice processes; and training of around 475 new members of staff. Furthermore, the heightened risk of fraud arising from the pandemic has been highlighted and communicated throughout the Trust, with specific examples and advice being given to areas as these risks emerge. This proactive work has helped to establish an effective anti-fraud and anti-bribery culture and zero tolerance approach within the Trust that is fully supported by the Board of Directors.

Learning from incidents

The Trust seeks to learn from incidents to develop good practice. Incidents are discussed in a number of forums, including the Patient Experience Group, Serious Incident Group, individual clinical and non-clinical governance meetings and at Board sub-committee and Board level.

During the past 12 months, the Trust has recorded 45 serious incidents, which is a 10 per cent decrease from 2018/19 presented at the Serious Incident Group. The Trust also reported 3Never Events. The largest single trend was falls with 17 reported which is comparable to the 18 reported in 2018/19. Each incident has been investigated using Root Cause Analysis (RCA) and actions put in place to reduce the likelihood of re-occurrence. A monthly falls group has also been established. The Care Quality Commission (CQC) and NHS Resolution (NHSR) consider trusts who are high reporters of incidents to have a better and a more effective safety culture. In 2019/20, a total of 7349 incidents were reported, which shows a decrease of 3% on the previous year. To promote incident reporting, the governance team are working closely with the Directorates to improve incident reporting, identify learning points and provide feedback to staff.

To ensure lessons are learnt and shared, all RCA reports are discussed at the Serious Incident Group (SIG) meeting. This multi-disciplinary group, chaired by the Medical Director, is well-versed in providing challenge in a supportive environment. The group meets once per month and reports into the Quality Assurance Committee. To supplement the SIG meetings, additional table top meetings take place with the multidisciplinary team involved in the patients care. They are pro-active meetings that enable timely learning to be shared across the organisation and to establish a root cause of the incident. The Trust has proactively implemented a Pressure Ulcer Serious Incident Group and Falls Group to allow the sharing of learning and implementation of actions Trust-wide to reduce and prevent pressure ulcer prevalence and reduction of incidence of falls.

The function of the groups is to review all SIRI reports to ensure a comprehensive investigation has been undertaken; ensure lessons learnt have been identified and shared within the Trust. The groups also monitor implementation of action plans developed to minimise the risk of reoccurrence. This is then fed back to directorate governance meetings and to ward or departmental monthly meetings to ensure that lessons learnt are shared across the Trust.

Examples of shared learning from incidents include:

- An elderly patient was admitted to the Trust following a fall at home that resulted in a fractured neck of femur. Whilst awaiting surgery the patient's condition deteriorated with evidence of reduced urine output and an acute kidney injury. The patient continued to deteriorate and, despite attempted resuscitation, sadly died. The investigation highlighted that there was a failure to recognise a deteriorating patient and action the appropriate plan of care in a timely manner. Throughout the investigation it was evident that there was both

poor written and verbal communication between the teams to manage the patient effectively. Learning has been implemented to address the issues identified including review of the neck of femur pathway to include management of patient within the Emergency Department, reinforcement of a structured handover process to be implemented for communicating escalation and embedding the use of safety huddles within the ward team to identify concerns or issues. Audit and spot checks of records are now in place to continue to drive improvement in documentation of care.

- An elderly patient with a history of lung disease attended the Emergency Department following a fall at home where she sustained a fractured neck of femur. She was transferred to the Clinical Decision Unit initially and then to Elizabeth Ward where she received Non-Invasive Ventilation, oxygen and nebuliser medication in order to treat her breathing difficulties and maintain her oxygen saturations at 95%. The patient was taken to theatre for surgery to repair her fractured neck of femur; however, when the patient was transferred back following surgery her oxygen was mistakenly attached to the medical air outlet instead of the oxygen. This was identified and rectified immediately and changed to oxygen therapy. No harm was identified as a result of medical air initially being attached.

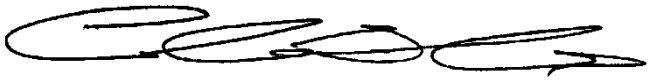
  The investigation identified that all actions from the previous never event had been implemented and staff on Elizabeth Ward were able to articulate these.

  Post-surgical patients would not normally return to Elizabeth Ward (a respiratory ward) but would return to a surgical ward or Intensive Therapy Unit for their recovery. The patient was on regular nebulisers four times a day so it was appropriate that she was returned to the respiratory ward and that the medical air outlet was in situ in her bed space.

Conclusion

I am pleased to report that, based on the opinion of Internal Audit; the George Eliot Hospital NHS Trust has an adequate and effective framework for internal control that supports the achievement of its policies, aims and objectives with no significant internal control issues identified.

Appropriate arrangements are in place for discharge of the Trust's statutory functions. These ensure that any potential issues are highlighted to the Board and that the Trust is legally compliant with its statutory responsibilities.



Glen Burley
Chief Executive
12th June 2020

Remuneration and Staff Report

Directors' Statement

Directors of the Trust have confirmed that they know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and they have taken all the steps required to ensure that they have made themselves aware of any such information and to establish that the auditors are aware of it.

Pay multiples

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

The banded remuneration of the highest paid director in the Trust during 2019/20 was £155,000 - £160,000 (2018/19: £155,000-£160,000). This was 6.5 times (2018/19: 6.6 times) the median remuneration of the workforce, which was £24,214 (2018/19: £23,951). The small change in the multiple year-on-year is due to the increase in median pay, following the annual pay award. There has been no change in the highest paid director and their associated salary banding. In both years this was the Medical Director.

The median pay has increased slightly due to the annual pay award only, with there being no change to the pay banding used to calculate the median.

In 2019/20, no employees (2018/19: none) received remuneration in excess of the highest paid director.

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

Directors' Remuneration

The following tables (at Figures 2.0/2.1/2.2) show the remuneration and pension benefits of the directors during the financial year and the prior year.

This information is subject to audit.

Figure 2.0: Salaries and Allowances 2019/20

	2019-20					
Name and Title	Salary (bands of £5,000) £000	Expense payments (taxable) to nearest £100 £00	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
CHAIRPERSON						
Russell Hardy	15-20	0	0	0	0	15-20
Chairperson From1/4/19 (Note 1 below)						
EXECUTIVE DIRECTORS						
Glen Burley	50-55	0	0	0	0	50-55
Chief Executive (Note 2 below)						
David Eltringham	140-145	0	0	0	0	140-145
Managing Director From 1/4/19						
OTHER EXECUTIVE DIRECTORS						
Haqnawaz Khan	115-120	0	0	0	17.5-20.0	135-140
Director of Finance And Performance						
Catherine Free	155-160	0	0	0	32.5-35.0	190-195
Medical Director (Note 3 below)						
Stephen Collman	110-115	0	0	0	5.0-7.5	120-125
Director of Operations						
Daljit Athwal	105-110	0	0	0	17.5-20.0	125-130
Director Of Nursing (Note 4 below)						
NON EXECUTIVE DIRECTORS						
Anil Majithia	5-10	0	0	0	0	5-10
Non Executive Director						
Elizabeth Washington	5-10	0	0	0	0	5-10
Non Executive Director						
Julie Houlder	5-10	0	0	0	0	5-10
Non Executive Director						
Rebecca Khanna	5-10	0	0	0	0	5-10
Non Executive Director						
Simone Jordan	5-10	0	0	0	0	5-10
Non Executive Director						

Note 1. Russell Hardy is an employee of South Warwickshire NHS Foundation Trust. His costs are the total costs incurred by the Trust.

Note 2. Glen Burley is an employee of South Warwickshire NHS Foundation Trust. His costs are the total costs incurred by the Trust.

Note 3. Having previously been in post as the Interim Director of Nursing, Daljit Athwal was appointed as substantive Director of Nursing from 1 May 2019.

Note 4. The total remuneration for the Medical Director includes £23,597 which related to the performance of a clinical role.

Note 5. The amounts disclosed in the 'All pension-related benefits' column do not represent any amount that will be received by the employee. It is simply a calculation which is intended to provide an estimate of the benefit that being a member of the NHS Pension Scheme could provide.

Figure 2.1: Salaries and Allowances 2018/19

	2018-19					
Name and Title	Salary (bands of £5,000) £000	Expense payments (taxable) to nearest £100 £00	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
CHAIRPERSON						
Prem Singh Chairperson	30-35	0	0	0	0	30-35
EXECUTIVE DIRECTORS						
Katherine Kelly Chief Executive Until 15/7/18	40-45	0	0	0	0	40-45
Glen Burley Chief Executive From 16/7/18 (Note 1 below)	30-35	0	0	0	0	30-35
- OTHER EXECUTIVE DIRECTORS						
Haqnawaz Khan Director of Finance And Performance	115-120	0	0	0	(5.0)-(2.5)	110-115
Catherine Free Medical Director (Note 4 below)	155-160	0	0	0	40.0-42.5	195-200
Debbie Pook Director of Operations Until 4/1/19	80-85	0	0	0	12.5-15.0	90-95
Andrew Kent Director of Operations From 5/1/19 Until 11/2/19 (Note 2 below)	35-40	0	0	0	0	35-40
Stephen Collman Director of Operations From 12/2/19	15-20	0	0	0	12.5-15.0	25-30
Daljit Athwal Interim Director Of Nursing (Note 3 below)	100-105	0	0	0	0	100-105
NON EXECUTIVE DIRECTORS						
Anil Majithia Non Executive Director From 1/9/18 (Note 5 below)	0-5	0	0	0	0	0-5
Chris Spencer Non Executive Director Until 31/5/18	0-5	0	0	0	0	0-5
Duncan Cooper Non Executive Director Until 31/8/18	0-5	0	0	0	0	0-5
Elizabeth Washington Non Executive Director	5-10	0	0	0	0	5-10
Julie Houlder Non Executive Director	5-10	0	0	0	0	5-10
Rebecca Khanna Non Executive Director	5-10	0	0	0	0	5-10
Simone Jordan Non Executive Director From 1/11/18	0-5	0	0	0	0	0-5

Note 1. Glen Burley is an employee of South Warwickshire NHS Foundation Trust. The George Eliot Hospital NHS Trust is recharged for his services. Glen Burley is Chief Executive for the three trusts in the Foundation Group and shares his time between the three trusts.

Note 2. Andrew Kent was an employee of Practicus Ltd.

Note 3. Daljit Athwal was seconded from Nottingham University Hospitals NHS Trust.

Note 4. The total remuneration for the Medical Director includes £28,488 which related to the performance of a clinical role.

Note 5. Anil Majithia joined the Trust on 1/4/18 as a Shadow Non Executive Director. The table above includes his remuneration from becoming a permanent Non Executive Director on 1/9/18.

Note 6. The amounts disclosed in the 'All pension-related benefits' column do not represent any amount that will be received by the employee. It is simply a calculation which is intended to provide an estimate of the benefit that being a member of the NHS Pension Scheme could provide.

Note 7. David Eltringham was appointed as Managing Director on 30/7/18, being seconded from University Hospitals Coventry and Warwickshire NHS Trust. This was a new role to support the Chief Executive. His salary for 2018-19 was in the range of £115,000-£120,000. David was employed by the Trust and became a voting director on 1/04/19.

Figure 2.2: Pension entitlements of senior managers 2019/20

Name and Title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2019 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Employer's contribution to stakeholder pension £000
CHAIRPERSON								
Russell Hardy Chairperson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EXECUTIVE DIRECTORS								
Glen Burley Chief Executive (note 1 below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Eltringham Managing Director From 1 April 2019	0-2.5	(5.0)-(2.5)	50-55	110-115	898	2	941	N/A
OTHER EXECUTIVE DIRECTORS								
Haqnawaz Khan Director of Finance And Performance	0-2.5	(2.5)-0	30-35	70-75	554	17	599	N/A
Catherine Free Medical Director	2.5-5.0	0-2.5	35-40	80-85	580	25	637	N/A
Stephen Collman Director of Operations	0-2.5	(5.0)-(2.5)	40-45	90-95	656	7	696	N/A
Daljit Athwal Director Of Nursing (note 2 below)	0-2.5	(2.5)-0	40-45	115-120	856	27	920	N/A
NON EXECUTIVE DIRECTORS								
Anil Majithia Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elizabeth Washington Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julie Houlder Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Simone Jordan Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rebecca Khanna Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: Glen Burley is an employee of South Warwickshire NHS Foundation Trust. His pension details are disclosed by them. The George Eliot Hospital NHS Trust is recharged for his services.

Note 2: Daljit Athwal was appointed as Director of Nursing from 1 May 2019.

Staff Report

Staff numbers and costs

The table below (figure 2.3) shows the total staff costs consisting of permanent and other temporary staff.

Figure 2.3: Total staff costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	82,180	1,103	**83,283**	78,255
Social security costs	8,477	6	**8,483**	7,218
Apprenticeship levy	398	-	**398**	366
Employer's contributions to NHS pension scheme	13,583	18	**13,601**	8,864
Temporary staff	-	16,660	**16,660**	15,448
Total gross staff costs	**104,638**	**17,787**	**122,425**	**110,151**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**104,638**	**17,787**	**122,425**	**110,151**
Of which				
Costs capitalised as part of assets	350	-	**350**	136

The table below (figure 2.4) shows the total average whole time equivalent staff numbers, compared with the previous year.

Figure 2.4 Average number of employees (whole time equivalent basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	218	43	**261**	253
Ambulance staff	2	-	**2**	2
Administration and estates	434	49	**483**	486
Healthcare assistants and other support staff	594	68	**662**	645
Nursing, midwifery and health visiting staff	629	103	**732**	711
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	192	18	**210**	199
Healthcare science staff	11	-	**11**	11
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**2,080**	**281**	**2,361**	**2,307**
Of which:				
Number of employees (WTE) engaged on capital projects	7	-	**7**	6

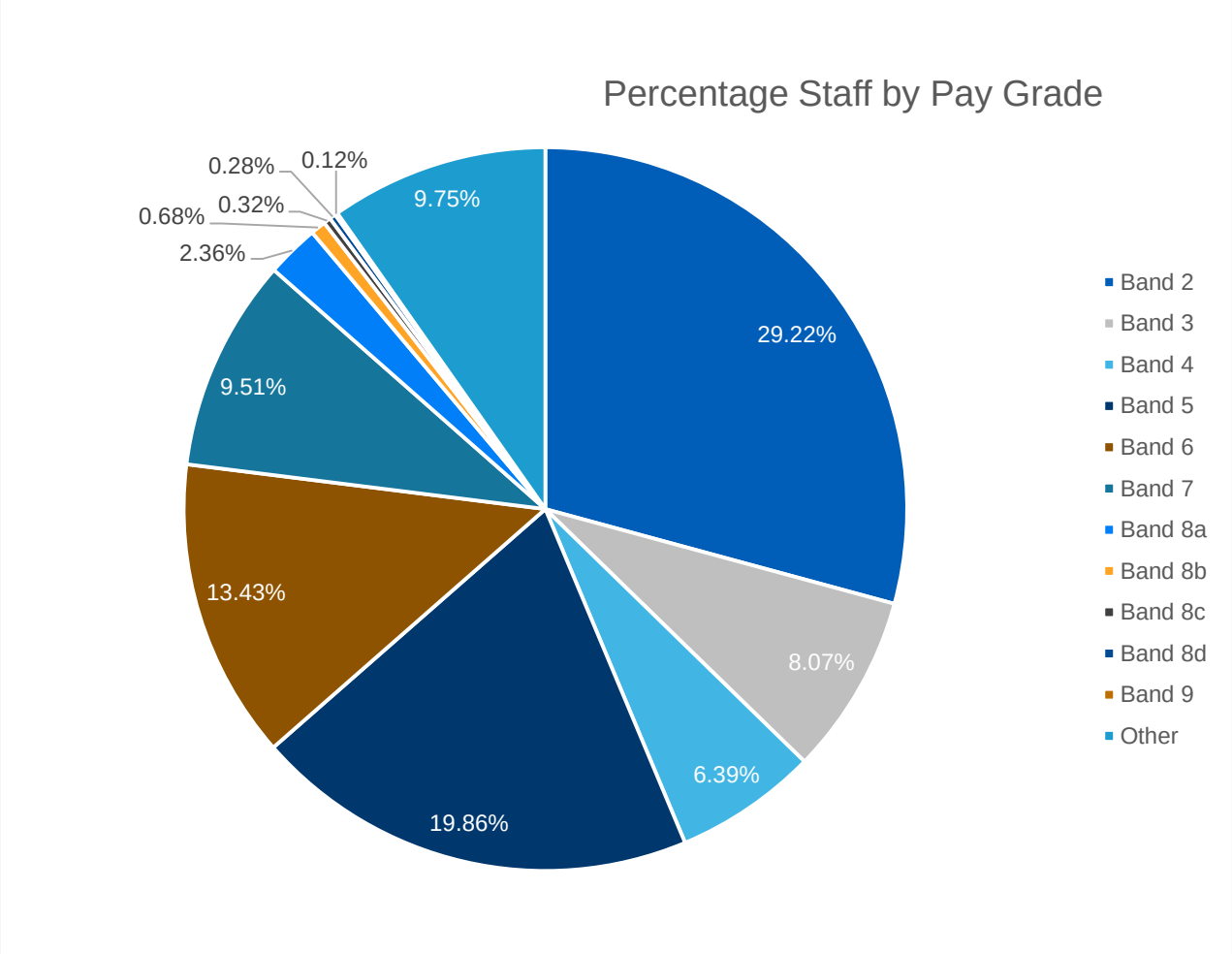
The table below (Figure 2.5) shows staff headcount by banding and table (Figure 2.6 shows the percentage of staff by grade as at the end of March 2020. Non- Agenda for Change (AfC) relates to staff who are outside the AfC contract (such as medical staff, executives, ad-hoc salaries etc).

Figure 2.5: Staff headcount by band

Payscale	Headcount	Percentage of Staff in Band
Band 2	731	29.22%
Band 3	202	8.07%
Band 4	160	6.39%
Band 5	497	19.86%

Payscale	Headcount	Percentage of Staff in Band
Band 6	336	13.42%
Band 7	238	9.51%
Band 8a	59	2.36%
Band 8b	17	0.68%
Band 8c	8	0.32%
Band 8d	7	0.28%
Band 9	3	0.12%
Non-AfC	244	10.21%
Total	2,502	100.00%

Figure 2.6: percentage of staff by grade



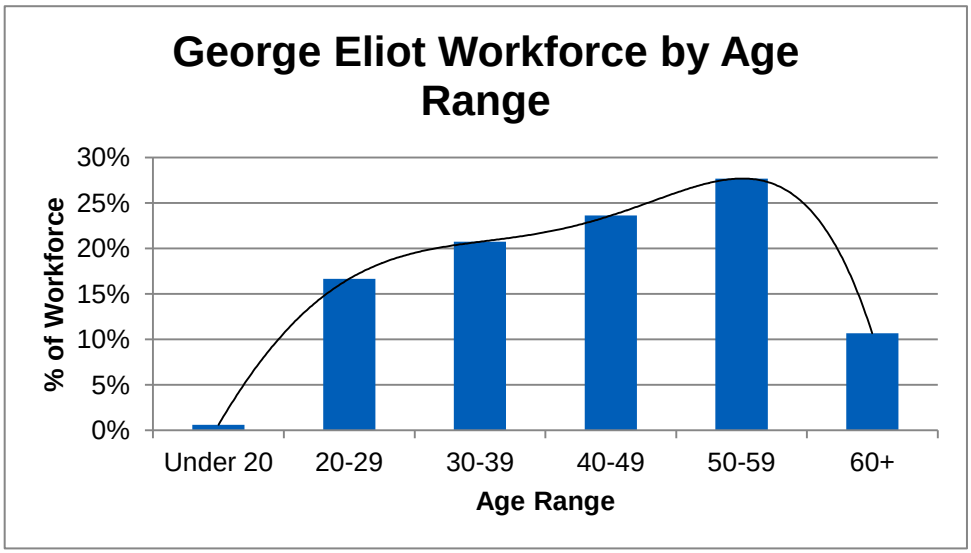
Age profile

The table and graph below (figure 2.7 and 2.8) shows the percentage of George Eliot Hospital NHS Trust workforce in each given age range.

Figure 2.7: Percentage of workforces in each given age range

Age Range	Headcount	GEH percentage
15-19	15	1%
20-29	417	17%
30-39	519	21%
40-49	591	24%
50-59	693	28%
60+	267	11%
Total	**2,502**	**100%**

Figure 2.8: Workforce by age range



Gender comparison

The table and graphs below (Figure 2.9/2.10/2.11/2.12/2.13) compares the gender breakdown of the George Eliot Hospital NHS Trust workforce and the Nuneaton and Bedworth population as given in the 2011 census.

Figure 2.9: Gender comparison figures

Gender	Number of Staff	George Eliot Hospital percentage	Nuneaton and Bedworth percentage
Male	454	18%	49%
Female	2,025	82%	51%
Total	2,479	100%	100%

Figure 2.10: Gender comparison analysis

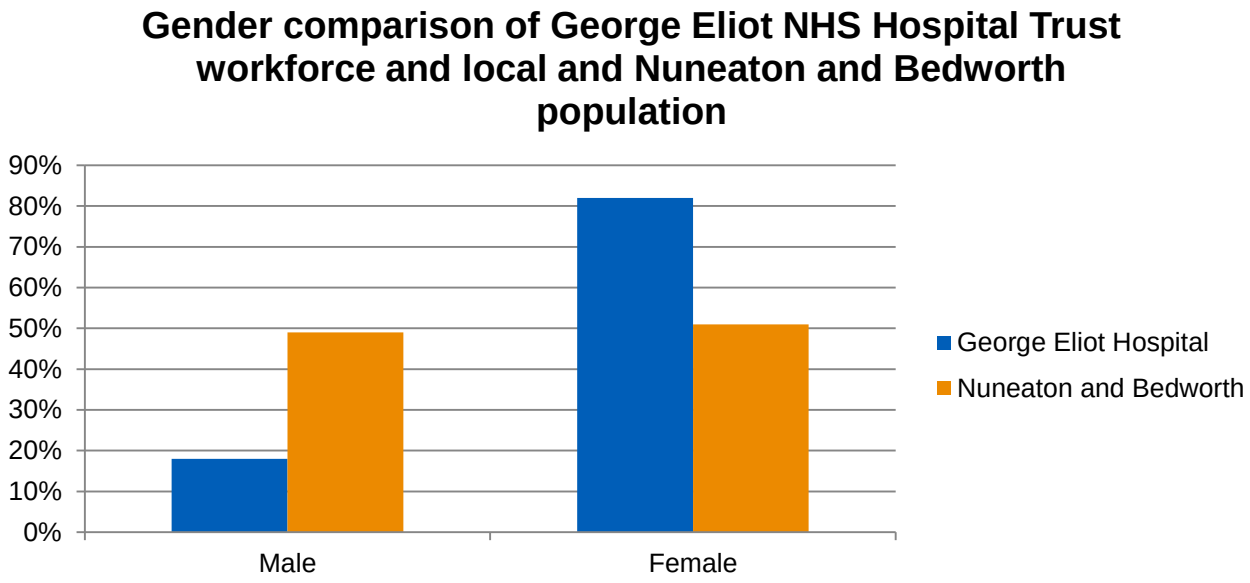


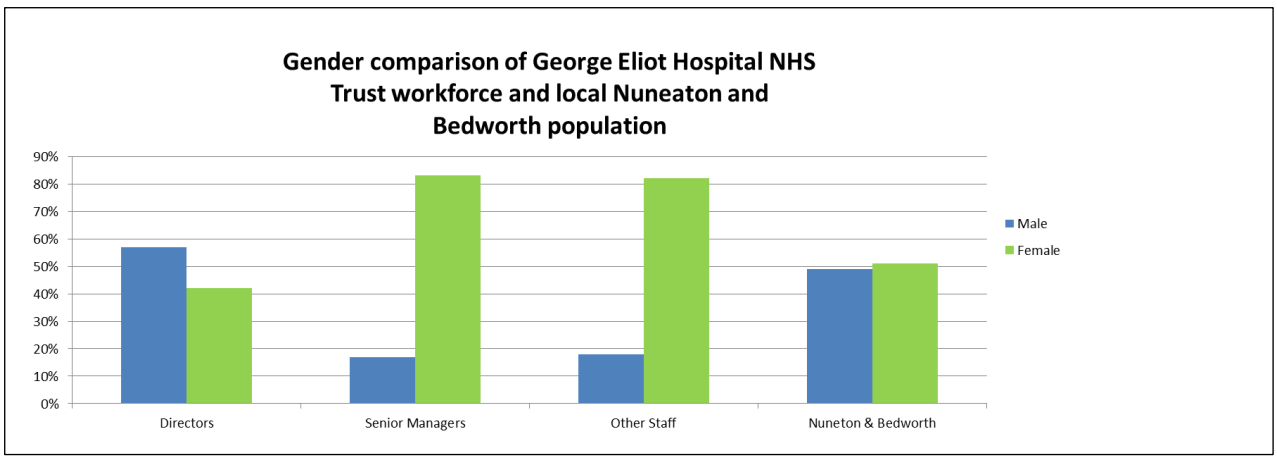
Figure 2.11

Gender	Director	Senior Managers	Other
Male	4	5	439
Female	3	25	2,015
Total	**7**	**30**	**2,442**

Figure 2.12

Gender	Directors	Senior Managers	Other Staff	Nuneaton and Bedworth
Male	57%	17%	18%	49%
Female	42%	83%	82%	51%

Figure 2.13



Ethnicity

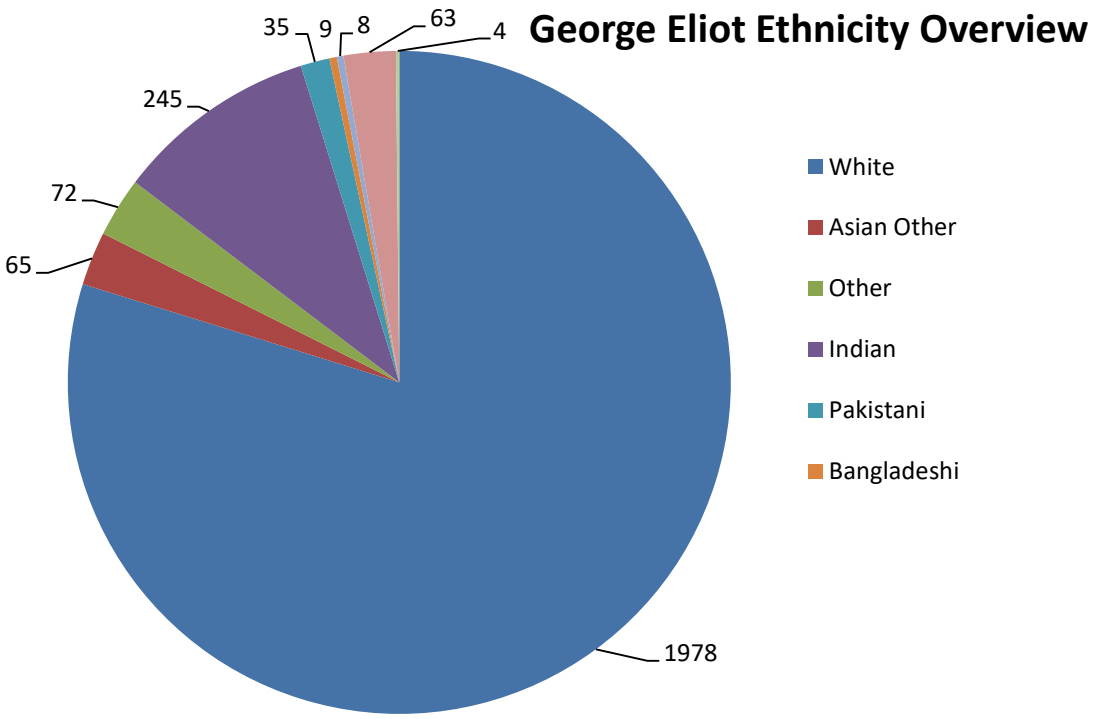
The Table below (Figure 2.14) is based on the 2011 census and compares the percentage of various ethnic groups against the local demographics.

Figure 2.14: Percentage of various ethnic groups against the local demographics.

	Area			
	Nuneaton and Bedworth		George Eliot	
Ethnic Group	Population Number	Percentage	Headcount	Percentage
White	112,151	89.5%	1,978	79.7%
Black Caribbean	351	0.3%	8	0.32%
Black African	555	0.4%	61	2.5%
Black Other	774	0.6%	2	0.1%
Indian	5,705	4.6%	245	9.8%
Pakistani	527	0.4%	35	1.4%
Bangladeshi	51	0.0%	9	0.3%
Chinese	304	0.2%	4	0.1%
Asian Other	409	0.3%	65	2.6%
Other	4,425	3.5%	72	2.9%
Total	125,252	100.0%	2,479	100.0%

The graph below (Figure 2.15) illustrates the varying ethnic groups of George Eliot Hospital NHS Trust's workforce.

Figure 2.15: Ethnicity overview as at March 2020



Exit packages

We have not agreed any exit packages during the year. The total cost of exit packages disclosed in the accounts is therefore £nil.

In the prior year we agreed one exit packages.

Consultancy

We incurred expenditure on consultancy of £0.4m during the year. The largest element of this arose from the establishment of arrangements to manage savings opportunities in conjunction with the Service Improvement Team.

Figure 2.16: Tax arrangements of public sector employees

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months:	**Number**
Number of existing engagements as of 31 March 2020	-
Of which, the number that have existed:	
For less than one year at the time of reporting	-
For between one and two years at the time or reporting	-
For between two and three years at the time of reporting	-
For between three and four years at the time of reporting	-
For four or more years at the time of reporting	-

Figure 2.17: Number of new engagements

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	-
Of which:	
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	-
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

There were no individuals appointed during this period which met the criteria above.

Figure 2.18: Board member engagements

For any off-payroll engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020	Number
Number of off-payroll engagements of Board members and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed 'Board members and/or senior officials with significant financial responsibility', during the financial year.	6

Sickness absence

Details on sickness absence are published on the NHS Digital website at the following link:

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Figure 2.19: Numbers of persons retiring early on ill health grounds 2019/20 & 2018/19

	2019/20 Number	**2018/19 Number**
Number of persons retired early on ill health grounds	-	5
	£000s	**£000s**
Total additional pensions liabilities accrued in the year	-	206

Financial Performance

Overall

In 2019/20 we reported that the Trust has broken even for the year, which included Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF) income of £15.7m. PSF and FRF are non-recurrent income from NHS England which we can only access if we achieve the agreed financial performance targets. The plan included PSF/ FRF of £15.7m and the Trust will receive the full amount based on achievement of the financial target.

By comparison, in 2018/19 we reported a deficit for the year of £12.8m, which was a favourable variance of £1.5m against the plan of £14.3m. This included non-recurrent PSF income from the Department of Health and Social Care (DHSC) of £5.6m.

We received cash support from the DHSC amounting to £15.3m, in advance of PSF/FRF funding being received, which is dependent upon achieving our financial performance targets. These loans are due to be repaid once the Trust's reported financial position has been verified and FRF/PSF income is received.

The cumulative deficit started at £8.1m at the end of 2005/06 but reduced to £2.0m by 2012/13. With deficits in the following six years, this has increased to £71.9m in 2018/19 and remained the same in 2019/20.

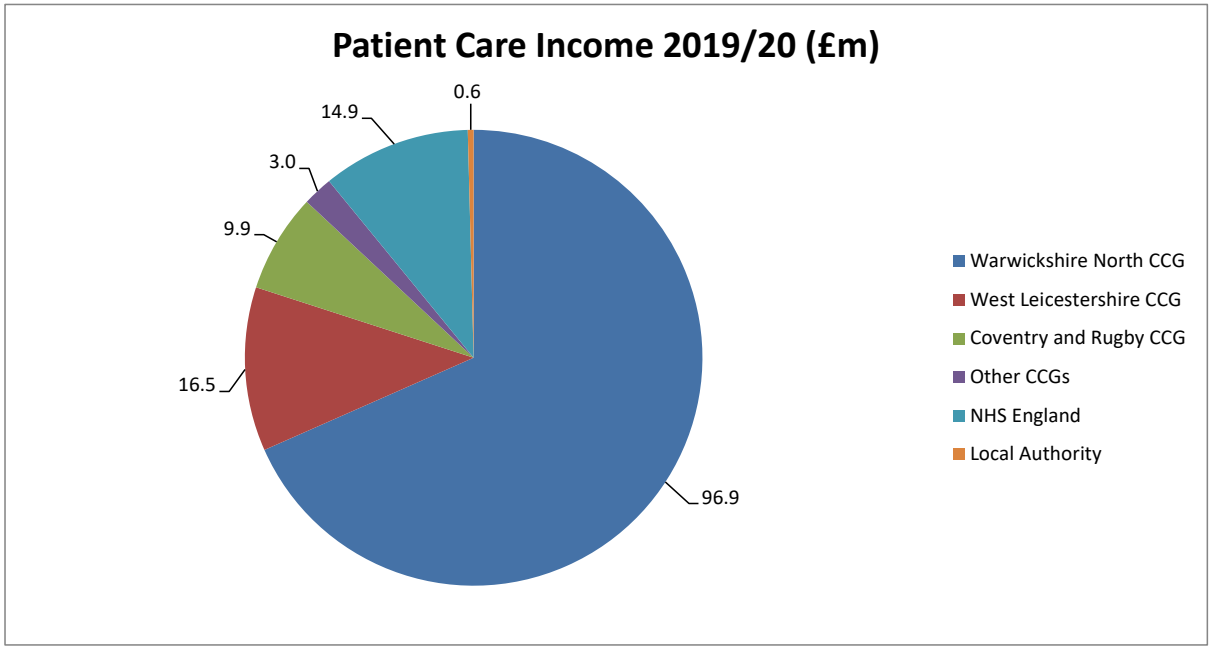
Healthcare income

The Trust has contracts to deliver healthcare services which are commissioned by Clinical Commissioning Groups (CCGs), NHS England (through specialist hubs and local teams) and local authorities.

In 2019/20 we received 68 per cent of our healthcare income from Warwickshire North CCG. In total, 89 per cent of healthcare income came from CCGs, a further 10 per cent from NHS England, which included the Prescribed Services, and one per cent from local authorities.

The following chart (Figure 2.20) shows the income:

Figure 2.20: Patient care income

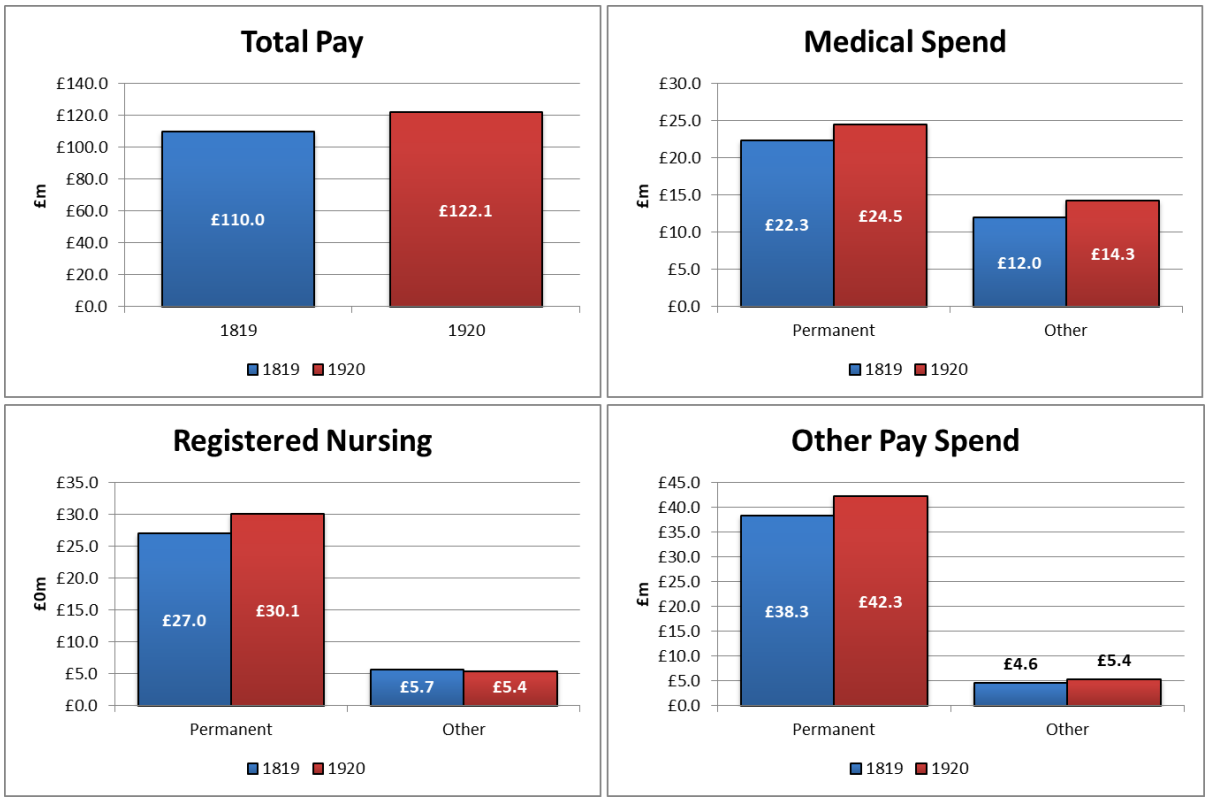


Expenditure

Pay expenditure increased by eleven per cent in 2019/20 when compared with the previous year, amounting to an increase of £12.1m. Of this £4.2m is the notional cost of an increase to the employer pension contribution percentage, from 14.38% to 20.68%. Although the increased cost has been centrally funded by DHSC during the year, the Trust has included the notional cost and the notional income offsetting this, within the accounts. Excluding this, the increase was seven per cent, or £7.9m.

We had an increase in permanent medical staff spend due to continued investment in clinical staffing. We also have vacancies which were filled with temporary medical staff, increasing the medical staff costs overall by £2.9m. Nursing and health care assistant (HCA) costs have increased by £1.9m. Other pay expenditure has increased by £3.1m. The increase in pay costs includes a pay award for non-medical staff of 3.4%, for medical staff of 2.5% and is also driven by an increase in staff numbers of 2%. This increase includes temporary staff recruited to ensure that the hospital can treat the higher levels of patients attending hospital during the winter period, where demand increased again compared with the prior year. In addition we have addressed skills mix issues particularly in our Accident and Emergency department. This is illustrated in the charts at Figure 2.21 below:

Figure 2.21: Pay expenditure analysis



Non-pay expenditure increased by one per cent compared with the prior year. The Trust received a benefit from a reduction in the cost of 'insurance' premiums paid to NHS Resolution. However, this was offset by increased costs driven by services purchased from other NHS trusts, as well as an increase in premises related costs.

Cash flow

The cash balance was £1.0m at 31 March 2020, in line with the plan, which is the minimum cash balance that the Department of Health and Social Care requires the Trust to hold.

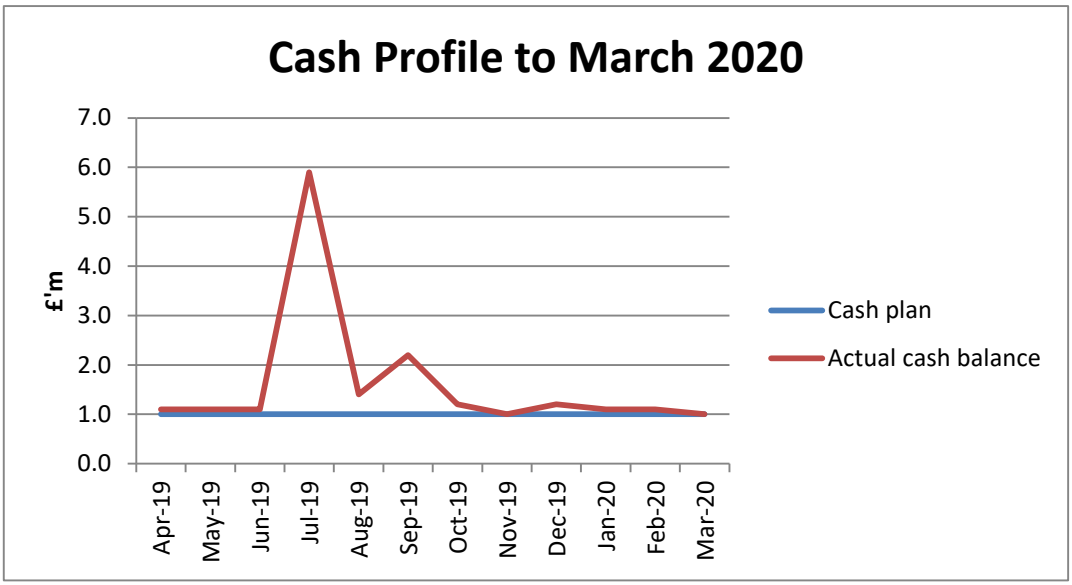
We applied to the Department of Health and Social Care for cash support to finance the revenue deficit. During the year this was provided as monthly loans, with interest charged at 1.5 per cent. Each loan was due to become repayable at the end of a three-year term. Total funding of £15.3m was received during the year.

In addition, capital loan funding of £0.8m was carried forward from 2018/19, to use in 2019/20. This loan has a term of 10 years and interest is charged at 0.97 per cent. The Trust was also allocated capital loan funding of £2.6m to finance capital investment during the year. This loan also has a term of 10 years and interest is charged at 0.68%.

Subsequent to these loans being drawn down, the Trust has been informed that all DHSC revenue and capital loans will be converted to Public Dividend Capital based on the balance at 1 April 2020. Although the loans are therefore now shown as current liabilities in the Balance Sheet, the Trust will not be required to repay any further loan principal or interest after 31st March 2020.

The following chart (Figure 2.22) shows the cash balance throughout the year:

Figure 2.22: Cash profile to March 2019



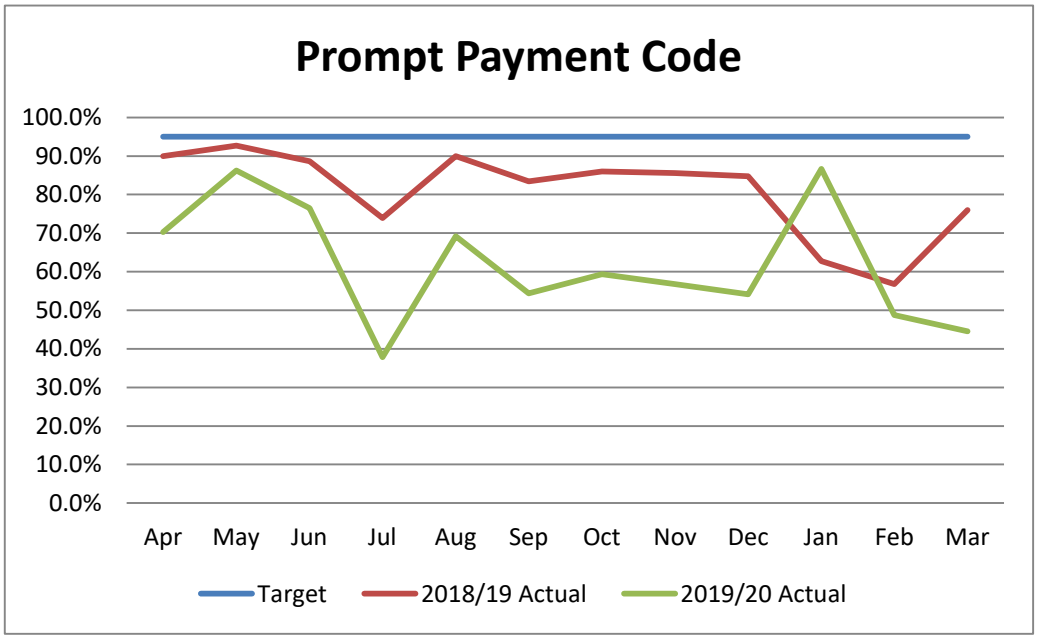
We have experienced fluctuations in cash balances during the year due to the timing of cash flows particularly related to loan drawdowns and the receipt of non-recurrent income.

Prompt Payment Code

We are a signatory to the Prompt Payment Code, which sets standards for payment practice. Measured by value, the Trust paid 58.9 per cent of non-NHS invoices within target (82.6 per cent last year) and 65.0 per cent of NHS invoices within target (compared with 47.4 per cent last year).

The following chart (Figure 2.23 below) shows overall performance for the year based on the number of invoices paid:

Figure 2.23: Prompt payment code



Performance has deteriorated compared with the prior year, with a consistently lower performance over the year due to the Trust's deficit cash position. The temporary improvement in January was due to clearance of those invoices which were ready to pay before transitioning to the new finance and procurement system. The Trust remains below target but expects this to improve as the temporary funding arrangements (which have been put into place for the NHS during the pandemic period) will provide cash in advance to assist with prompt payments over the first four months of the financial year.

Better Payment Practice Code (BPPC)

The Better Payment Practice Code (Figure 2.24) requires NHS bodies to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

Figure 2.24: BPPC measure of compliance 2019/20 compared to 2018/19

	2019/20 Number	2019/20 £000s	2018/19 Number	2018/19 £000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	**32,398**	**55,367**	**34,743**	**58,066**
Total non-NHS trade invoices paid within target	**20,198**	**32,622**	**28,273**	**47,976**
Percentage of NHS trade invoices paid within target	**62.3%**	**58.9%**	**81.4%**	**82.6%**
NHS payables				
Total NHS trade invoices paid in the year	**984**	**9,695**	**1,102**	**8,385**
Total NHS trade invoices paid within target	**407**	**6,306**	**567**	**3,971**
Percentage of NHS trade invoices paid within target	**41.4%**	**65.0%**	**51.5%**	**47.4%**

We allowed a two-day buffer period for payments in transit when calculating the number of invoices paid on time.

Staff numbers

Figure 2.25: Staff numbers

Average number of whole time equivalent staff	2019/20	2018/19
Medical and dental	261	253
Administration and estates	483	486
Healthcare assistants and other support staff	662	645
Nursing and midwifery	732	711
Scientific, therapeutic and technical	210	199
Other	13	13
Total	**2,361**	**2,307**

The table above (at Figure 2.25) shows the total average whole time equivalent staff numbers, compared with the previous year.

Overall, there has been a two per cent increase in the average number of whole time equivalents in 2019/20 from the previous year. This compares with a seven per cent increase in staff costs. There has been continued investment in nursing, medical and clinical support staff.

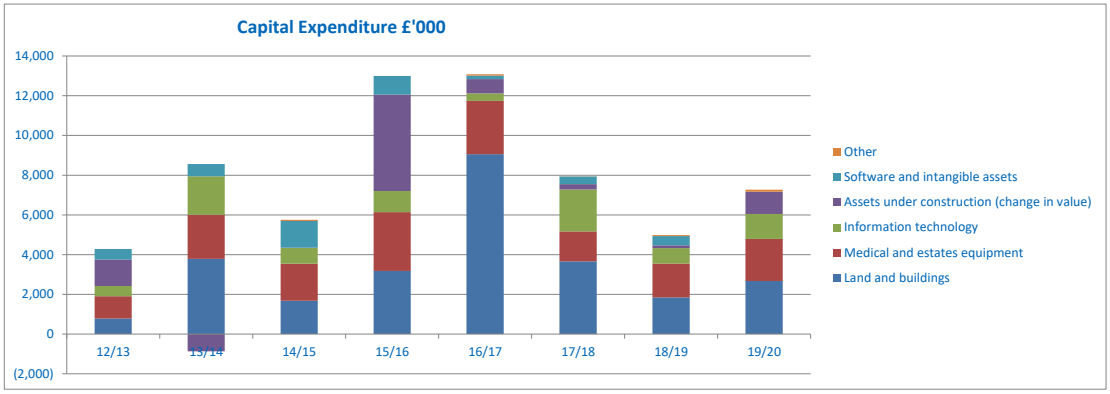
Capital expenditure

This year, £7.7m was dedicated to capital expenditure. This was funded from internally generated funds of £3.7m, together with external financing of £3.9m and donations from the hospital's charity of £0.1m.

Expenditure on the estate in 2019/20 included the relocation and significant expansion of the Trust's Ambulatory Care Unit and creation of a 'Same Day Emergency Care' centre to improve the flow of patients previously presenting at Accident and Emergency (£1.1m). We have also commenced preparatory work to install an additional 30 bed modular capacity, with £1.1m being spent in 2019/20. The ward is expected to be complete and ready to use in August. Other expenditure included replacing medical equipment (£2.2m), information management and technology (£1.7m) and improving infrastructure (£1.6m).

The following chart (at Figure 2.26) shows capital investment in 2019/20 compared to previous years. The expenditure in 2019/20 continues to address the low level of investment in previous years caused by uncertainty about the Trust's service delivery model, whilst being limited by the national availability of cash for capital investment particularly in the last three years.

Figure 2.26: Capital investment compared since 2012/13 to March 2020



External Auditors

KPMG UK LLP completed the Trust's statutory audit for 2019/20. The audit fee charged is £48,800 plus VAT.

Section 3 – Annual Accounts

Independent Auditors' report

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GEORGE ELIOT HOSPITAL NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 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 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.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

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 Trust will continue in operation.

Other information in the Annual Report

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

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

information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 28, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on page 27 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

Adverse conclusion

As a result of the matters outlined in the basis for adverse conclusion paragraph below, we are unable to satisfy ourselves that, in all significant respects George Eliot Hospital NHS 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 adverse conclusion

In considering the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources we identified significant use of resources risks upon completion of value for money risk assessment against the criteria identified within the Code of Audit Practice.

We identified that:

- The Trust achieved a surplus of £0.019m after receipt of £15.8m PSF and FRF funding.
- The Trust has a cumulative deficit of £71.7m. The Trust plans to achieve a breakeven position in 2020/21 however this is reliant on receipt of FRF funding and meeting a planned CIP target of £8.268m, of which £7.578m is either high risk of not being achieved or is still to be identified.
- The Trust underperformed against its planned CIP in 2019/20, achieving £5.119m compared to a plan of £8.342m.
- Regulatory action by NHS Improvement has been taken against the Trust for breaches of licence conditions FT4(5)(a), (b), (d), (e). The breaches span financial issues, operational performance, governance and quality.
- The Trust has not achieved core NHS operational targets including; seeing only 75.9% of patients in A&E within 4 hours, against a national target of 95%; and the cancer 62-day standard has not been achieved since February 2019, performing at 79.68% compared to the 85% required standard.

As at 31 March 2020 various improvement plans have been fully enacted but their actions are yet to complete, the Trust remains in financial deficit and is subject to undertakings to NHS Improvement. This, combined with the prospective nature of the Trust's financial recovery plans means we do not have sufficient assurance of the sustainable deployment of resources or informed decision making. It is as a result of this that we have issued a qualified audit conclusion.

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

As explained in the statement set out on page 27, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in 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 December 2019 and updated in April 2020 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.

Statutory reporting matters

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

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Other matters on which we report by exception – referral to Secretary of State

We have a duty under the Local Audit and Accountability Act 2014 to refer the matter to the Secretary of State if we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 24 June 2020 we referred a matter to the Secretary of State under Section 30(1)(a) of the Local Audit and Accountability Act 2014 as we had reason to believe that the Trust was, taking into account the Department of Health's *Guidance on Breakeven Duty and Provisions*, in the financial year ending 31 March 2020, in breach of its 'breakeven duty' set out at paragraph 2(1) of Schedule 5 to the National Health Service Act 2006.

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of George Eliot Hospital NHS Trust for the year ended 31 March 2020 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Bostock
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

24 June 2020

Annual Accounts

Please see Appendix 1 below.

Supporting Notes

Glossary

Name	Description
Annual Reports	a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give our NHS peers, key stakeholders and the public information about the organisation's activities and financial performance.
CQC – (Care Quality Commission)	the independent regulator of health and social care in England. The CQC regulates care provided by the NHS, local authorities, private companies and voluntary organisations.
CCGs (Clinical Commissioning Groups)	groups of GPs that commission most of the hospital and community NHS services in the local areas for which they are responsible. Commissioning involves deciding what services are needed, and ensuring that they are provided. CCGs are overseen by NHS England, which retains responsibility for commissioning primary care services such as GP and dental services, as well as some specialised hospital services. All GP practices now belong to a CCG, but groups also include other health professionals, such as nurses.
CQUIN (Commissioning for Quality and Innovation)	a national payment framework for locally agreed quality improvement schemes. It makes a proportion of provider income conditional on achieving ambitious quality improvement goals and innovations agreed between commissioner and provider, with active clinical engagement. The CQUIN framework is intended to reward genuine ambition, encouraging a culture of continuous quality improvement in all providers.
Datix	incident reporting software that promotes a culture of learning by recording, investigating and analysing your incidents.
NHSI (NHS Improvement)	the organisation responsible for overseeing all NHS trusts in England including FTs as well as independent providers providing NHS-funded care.
The Foundation Group	in June 2018, George Eliot Hospital NHS Trust (GEH) joined the Foundation Group that was formed in 2017 when South Warwickshire NHS Foundation Trust (SWFT) formalised its collaboration with Wye Valley NHS Trust (WVT). All three organisations face similar challenges and have a common strategic vision for how these can be solved. The Foundation Group model retains the identity of each individual trust, whilst strengthening the opportunities available to secure a sustainable future for local health services

Acknowledgements

George Eliot Hospital NHS Trust would like to thank the following staff and individuals for their invaluable contribution through ongoing feedback and support in the production of this year's Report.

- The Trust's Communications and Engagement team
- Lead contributors: Consultant leads, Complaint Services, Finance teams from across the Trust
- KPMG, External Auditors (Annual Report, Accounts and Quality Indicators).

Feedback form

We hope you have found this report informative, interesting and helpful. To save costs, the document is available on our website and hard copies are available in waiting rooms or on request.

We would be grateful if you would take the time to complete this feedback form and return to: Patient Feedback, George Eliot Hospital NHS Trust, FREEPOST (CV3262), College Street, Nuneaton, CV10 7BR. Alternatively, please email: pals@geh.nhs.uk

How useful did you find this report?		**Did you find the contents?**	
Very useful		Too simplistic	
Quite useful		About right	
Not very useful		Too complicated	
Not useful at all			
Is the presentation of data clearly labelled?			
Yes, completely		Yes, to some extent	
No			
If no, what would have helped?			
Comments			

Accessibility

We have access to interpretation and translation services. If you need this information in another language or format, please contact 024 7686 5550 and we will do our best to meet your needs.

Appendix 1

GEORGE ELIOT HOSPITAL NHS TRUST

AUDITED ANNUAL ACCOUNTS

2019/20

Statement of Comprehensive Income
For the Year Ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3.	**153,698**	138,292
Other operating income (Note 1 below)	4.	**27,599**	16,976
Operating expenses	6.	**(179,936)**	(167,199)
Operating surpus /(deficit) from continuing operations		**1,361**	(11,931)
Finance income	12.	**46**	39
Finance expenses	13	**(1,221)**	(1,007)
PDC dividends payable		**-**	-
Net finance costs		**(1,175)**	(968)
Other gains / (losses)	15.	**-**	-
Surlus/ (deficit) for the year from continuing operations		**186**	(12,899)
Surplus / (deficit) for the year		**186**	(12,899)

Other comprehensive income

Will not be reclassified to income and expenditure:			
Impairments	7.	**(2,946)**	(14,378)
Revaluations	19.	**2,029**	6,115
Total comprehensive expense for the period		**(731)**	(21,162)

Adjusted financial performance (control total basis):

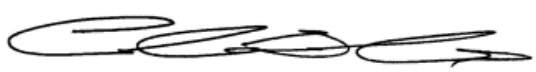
Surplus / (deficit) for the year	**186**	(12,899)
Remove I&E impact of capital grants and donations	**27**	109
Remove 2018/19 post audit PSF reallocation (2019/20 only)	**(194)**	-
Adjusted financial performance surplus / (deficit)	**19**	(12,790)

Note 1. Other operating income in the year included non-recurrent income for 2019-20 of £15.8m from NHS England (prior year £5.66m). This income was from the Provider Sustainability Fund (PSF), the Financial Recovery Fund and the Marginal Rate Emergency Tariff Fund. The deficit excluding this amount would be £15.8m (prior year £18.4m).

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	16	**1,807**	1,942
Property, plant and equipment	17	**70,904**	70,276
Receivables	25	**588**	265
Total non-current assets		**73,299**	72,483
Current assets			
Inventories	24	**2,414**	2,090
Receivables	25	**34,454**	13,768
Cash and cash equivalents	28	**1,030**	1,307
Total current assets		**37,898**	17,165
Current liabilities			
Trade and other payables	30	**(22,160)**	(16,644)
Borrowings	33	**(92,129)**	(33,097)
Provisions	36	**(930)**	(368)
Other liabilities	32	**(1,450)**	(1,593)
Total current liabilities		**(116,669)**	(51,702)
Total assets less current liabilities		**(5,472)**	37,946
Non-current liabilities			
Borrowings	33	**(388)**	(44,018)
Provisions	36	**(1,063)**	(670)
Total non-current liabilities		**(1,451)**	(44,688)
Total assets employed		**(6,923)**	(6,742)
Financed by			
Public dividend capital		**52,360**	51,810
Revaluation reserve		**5,382**	6,331
Income and expenditure reserve		**(64,665)**	(64,883)
Total taxpayers' equity		**(6,923)**	(6,742)

The financial statements on pages 1 to 48 were approved by the Board of Directors on the 12 June 2020 and signed on its behalf by:



Glen Burley
Chief Executive

Date: 12 June 2020

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

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Reserves
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**51,810**	**6,331**	**(64,883)**	**(6,742)**
Surplus for the year	**-**	**-**	**186**	**186**
Other transfers between reserves (note 1 below)	**-**	**(32)**	**32**	**-**
Impairments	**-**	**(2,946)**	**-**	**(2,946)**
Revaluations	**-**	**2,029**	**-**	**2,029**
Public dividend capital received	**550**	**-**	**-**	**550**
Taxpayers' and others' equity at 31 March 2020	**52,360**	**5,382**	**(64,665)**	**(6,923)**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Reserves
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	51,367	14,656	(52,046)	13,977
Deficit for the year	-	-	(12,899)	(12,899)
Other transfers between reserves	-	(62)	62	-
Impairments	-	(14,378)	-	(14,378)
Revaluations	-	6,115	-	6,115
Public dividend capital received	443	-	-	443
Taxpayers' and others' equity at 31 March 2019	51,810	6,331	(64,883)	(6,742)

Note 1. The transfer of £32k between reserves represents the elimination of the additional depreciation charge arising in the accounts due to some of the non current assets being shown at valuation rather than being held at historic cost.

Information on reserves

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

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

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

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

Statement of Cash Flows for the Year ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		**1,361**	(11,931)
Non-cash income and expense:			
Depreciation and amortisation	6.	**6,317**	6,279
Net impairments	7.	**-**	-
Income recognised in respect of capital donations	4.	**(106)**	(61)
(Increase) in receivables and other assets		**(21,009)**	(3,710)
(Increase) in inventories		**(324)**	(165)
Increase in payables and other liabilities		**4,320**	3,615
Increase / (decrease) in provisions		**954**	(1,227)
Net cash flows used in operating activities		**(8,487)**	(7,200)
Cash flows from investing activities			
Interest received		**46**	39
Purchase of intangible assets		**(575)**	(506)
Purchase of PPE and investment property		**(5,990)**	(4,773)
Net cash flows used in investing activities		**(6,519)**	(5,240)
Cash flows from financing activities			
Public dividend capital received		**550**	443
Movement on loans from DHSC		**16,117**	13,269
Movement on other loans		**(776)**	(775)
Interest on loans		**(1,157)**	(947)
Other interest		**(5)**	(3)
PDC dividend paid		**-**	(59)
Net cash flows from financing activities		**14,729**	11,928
(Decrease) in cash and cash equivalents		**(277)**	(512)
Cash and Cash Equivalents at 1 April - Brought Forward		**1,307**	1,819
Cash and Cash Equivalents at 31 March	28.	**1,030**	1,307

The notes on pages 6 to 48 form part of these accounts.

1. Notes to the Accounts

Accounting policies and other information

1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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.

1.1.1 Accounting convention

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

1.1.2 Going concern

In accordance with international accounting policies, management are required to assess whether it is appropriate to prepare the accounts on a going concern basis. There are no plans for the dissolution of the Trust and it is anticipated that services will continue to be provided in the future. The financial statements have therefore been prepared on a going concern basis.

In preparing the financial statements, the Board of Directors has considered the Trust's overall financial position and expectations of future financial support. The Trust received deficit support loan funding of £3.7m during 2019/20, all of which was repaid in year in line with the plan. In addition, loan funding amounting to £13.3m was drawn down in advance of PSF/FRF. The Trust has delivered the control total for the year and has received the remaining PSF/FRF in May 2020.

The usual planning process has been suspended by NHS Improvement due to the pandemic and is expected to be revisited later in the year. The impact of this is that the Trust is not required to agree contracts in advance of the financial year and is not expected to commence delivery of savings plans. NHS Improvement has introduced temporary arrangements for the first four months of 2020/21 to reduce the burden on the NHS whilst managing the impact of the pandemic. This will include fixed monthly payments and additional funding to address both on-going expenditure and the exceptional costs of the pandemic. The temporary arrangements will provide cash in advance in order to facilitate prompt payment of suppliers, with retrospective claims to be made for exceptional costs incurred.

The arrangement will be in place at least until July and the Trust Board has approved an annual budget based on the temporary funding arrangements to ensure that appropriate financial governance continues. Whilst on-going arrangements have not yet been definitively announced, NHS England and NHS Improvement have made a statement available which confirms that a Government mandate has been provided to NHS England for the continued provision of health services in England. Clinical Commissioning Groups have been given funding allocations which include sufficient funding for the remainder of 2020/21. Trusts are therefore advised to continue to expect funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned.

NHSI has also announced a funding restructure, with the intention that outstanding revenue and capital loans will be converted to Public Dividend Capital in September 2020. Any Department of Health and Social Care loan principal or interest payments due after 31 March 2020 will not need to be made and the loan balance at that date of £91.4m will be converted. This will have a significant cash benefit to the Trust. In addition, future cash requirements will be met in the form of Public Dividend Capital rather than through loan funding. The Trust will be required to pay a dividend on this capital funding, with the current rate of 3.5% being subject to further review during 2020/21. The Trust will work closely with NHSI to ensure that forecast cash requirements are reviewed in a timely manner and that any issues are highlighted so these can be resolved.

The Trust is also working with the other organisations in the Coventry and Warwickshire Sustainability and Transformation Partnership to address the issues of financial sustainability across the wider local health economy in the medium to long-term.

1.1.2 Going concern (continued)

Due to the impacts of Covid-19 and the revised financial framework currently only covering the period to the end of July 2020 there is an increased level of uncertainty. However, during the last six years, NHSI has supported the Trust with cash support and the Government has confirmed that financial support will continue to be provided to fund services and maintain financial stability in the health sector including payments to suppliers. The Trust Board therefore anticipates that NHSI will continue to support the Trust's requirement for cash support. Given the on-going level of support received from NHSI, the directors expect that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the accounts.

1.2 Interests in other entities

Charitable Funds
Under the provisions of IAS27 Consolidated and Separate Financial Statements, those charitable funds that fall under common control within NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. As the value of George Eliot's Charitable Funds do not have a material impact, they have not been consolidated.

1.3 Revenue

1.3.1 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).

1.3.2 Revenue from NHS contracts

The main source of revenue for the Trust is contracts with commissioners in respect of health care services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue. Where income is received for a specific performance obligation that is to be satisfied in the following yer, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is to match income against the expenditure incurred.

1.3.3 NHS injury cost recovery scheme

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

1.3.4 Provider sustainability fund (PSF) and Financial recovery fund (FRF)

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

1.3.5 Other forms of income

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

1.4 Expenditure on employee benefits

1.4.1 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. The Trust's annual; leave policy requires leave to be used in year.

1.4.2 Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

1.5 Expenditure on other goods and services

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

1.6 Discontinued operations

The Trust does not have any operations which have been discontinued during the year.

1.7 Property, plant and equipment

1.7.1 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,
- 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, or
- 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, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

1.7 Property, plant and equipment (continued)

1.7.1 Recognition (continued)

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.

1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost as indexed on 31 March 20 using indices supplied by the valuer, Avison Young (UK) Limited.

Previously all land and buildings were restated to fair value using professional valuations in accordance with IAS 16 every five years. This has now been changed to update the valuation at 31 March each year. An update was undertaken at 31 March 2020.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

The property valuations are carried out primarily on the basis of Depreciated Replacement Cost (DRC) for specialised operational property (e.g., NHS patient treatment facilities) and Existing Use Value (EUV) for non-specialised operational property. The value of land for existing use purposes is assessed at EUV. For non-operational land including surplus land, the valuations are carried out at Market Value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust’s land and building valuation was carried out by the Trust’s current valuer Avison Young, on a MEA “Optimised Alternative Site” method valuation, and applied on 31 March 2020.

The valuation has been undertaken having regard to IFRS as applied to the UK public sector and in accordance with HM Treasury guidance.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

1.7 Property, plant and equipment (continued)

1.7.2 Measurement (continued)

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.

1.7.3 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.

1.7 Property, plant and equipment (continued)

1.7.4 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.

1.7.5 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
Medical equipment and engineering plant and equipment	5	15
Furniture	10	10
Mainframe information technology installations	8	8
Soft furnishings	7	7
Office and information technology equipment	5	5
Set-up costs in new buildings	10	10
Vehicles	8	8

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

1.8 Intangible assets

1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

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

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

Software

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

1.8 Intangible assets (continued)

1.8.2 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.

1.8.3 Amortisation

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

1.8.4 Useful lives of intangible assets

	Min life	Max life
	Years	Years
IT software	5	5
Licenses	5	5
Development expenditure - based on the life of the project		

1.9 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.

1.10 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment.

1.11 Cash and cash equivalents

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

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

1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

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 the Office for National Statistics.

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.

Financial assets

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets have been derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership of has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

The Trust does not have any financial assets of this type.

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

The Trust does not have any financial assets of this type.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

1.13 Financial assets and financial liabilities (continued)

Impairment (continued)

Expected credit losses are determined by providing in full for non-NHS debtors over 90 days old and for Injury Cost Recovery income using national guidance.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

In accordance with the Department of Health guidelines 21.79% of injury costs recovery revenue is provided in a bad debt provision.

Financial liabilities

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

De-recognition

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

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

1.14 Leases

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

1.14.1 The trust as a lessee

Finance leases

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

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

1.14 Leases (continued)

1.14.1 The trust as a lessee (continued)

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.

1.14.2 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.

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:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% (2018-19 positive 0.29%) 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 36 but is not recognised in the Trust’s accounts.

1.15 Provisions (continued)

Non-clinical risk pooling

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

1.16 Contingencies

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

Contingent liabilities are defined as:

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

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

1.17 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the 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.

1.18 Value added tax

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

1.19 Corporation tax

The Trust has no corporation tax liability based on the activities undertaken and the financial position.

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.

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*.

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.

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.

The Trust did not receive any gifts of assets during the year.

1.24 Transfers of functions to and fromother NHS bodies or local government bodies

There were no transfers of functions to or from other NHS bodies or local government bodies in the year.

1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

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

1.26.1 IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has implemented processes to ensure that leases are identified and captured in a lease register. Existing contracts have also been reviewed to identify any potential elements which would be treated as leases under the new definitions.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

1.26.2 Other standards, amendments and interpretations

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 IFRS16 being for implementation in 2020-21, and the government implementation date for IFRS17 still subject to HM Treasury consideration.

IFRS 16 *Leases* – the Standard is effective 1 April 2020 as adapted and interprested by the FReM, with the implementation date having been revised to 1 April 2021.

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.

The Trust has a small number of operating leases for medical and IT equipment/ software which are part way through their lease term. The standard will mean that operating leases will in future be accounted for as finance leases, with the assets to which they relate being capitalised and shown on the Statement of Financial Position. This change will be taken into account in any future business cases considering purchase or lease of assets.

IFRS 17 is not expected to have a material impact on the Trust.

1.27 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has entered into lease agreements for medical equipment during the year. In each case an asssessment has been carried out to determine whether the leaseshould be accounted for as an operating or finance lease.

1.27.1 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:

Land and buildings valuations were updated through a 'desk top' assessment at 31 March 2020 whilst continuing to be based on the ‘alternative site valuation’ principles.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. 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 uncertainty in global financial 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.

Of the £55.6m net book value of land and buildings subject to valuation, £55.2m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced.

Two former employees are being paid a permanent injury allowance by the Trust. Their life expectancy is calculated using published interim life tables for England published by the Office of National Statistics, with the resulting calculated provision being discounted by minus 0.5%. Every year their life expectancy and appropriate discount factor is reviewed and updated.

2. Operating Segments

The Trust has only one operating segment; that is the provision of healthcare services.
The total amount of income from the provision of healthcare services during the accounting period is £181,297k (2018-19 £155,268k). Total operating expenditure from the provision of healthcare services during the accounting period is £179,936k (2018-19 £167,199k).

The Trust generated over 10% of income from the following organisations:

	2019/20	2018/19
	£000s	£000s
NHS Warwickshire North CCG	**98,481**	90,189

3. Operating income from patient care activities

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

3.1 Income from patient care activities (by nature)

	2019/20	2018/19
	£000	£000
Acute services		
Elective income	**18,171**	19,354
Non elective income	**52,697**	46,274
First outpatient income	**10,614**	9,132
Follow up outpatient income	**11,450**	9,017
A & E income	**14,888**	9,050
High cost drugs income from commissioners (excluding pass-through costs)	**9,247**	9,427
Other NHS clinical income	**23,573**	26,779
Community services		
Community services income from CCGs and NHS England	**2,267**	1,994
Income from other sources (e.g. local authorities)	**2,795**	2,792
All services		
Private patient income	**68**	62
Agenda for Change pay award central funding*	**-**	1,611
Additional pension contribution central funding**	**4,123**	-
Other clinical income	**3,805**	2,800
Total income from activities	**153,698**	138,292

*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.

3.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	£000
NHS England	**23,006**	15,844
Clinical commissioning groups	**126,968**	116,775
Department of Health and Social Care	**-**	1,611
Other NHS providers	**414**	736
Local authorities	**2,795**	2,792
Non-NHS: private patients	**-**	-
Non-NHS: overseas patients (chargeable to patient)	**68**	61
Injury cost recovery scheme	**366**	391
Non NHS: other	**81**	82
Total income from activities	**153,698**	138,292
Of which:		
Related to continuing operations	**153,698**	138,292
Related to discontinued operations	**-**	-

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

	2019/20	2018/19
	£000	£000
Income recognised this year	**68**	61
Cash payments received in-year	**10**	19
Amounts added to provision for impairment of receivables	**46**	11
Amounts written off in-year	**-**	-

4. Other operating income

	2019/20			2018/19		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	**483**	**-**	**483**	476	-	476
Education and training	**6,100**	**-**	**6,100**	6,013	-	6,013
Non-patient care services to other bodies	**2,102**		**2,102**	1,684		1,684
Provider sustainability fund (PSF)	**3,589**		**3,589**	5,658		5,658
Financial recovery fund (FRF)	**12,308**		**12,308**			
Marginal rate emergency tariff funding (MRET)	**73**		**73**			
Receipt of capital grants and donations		**106**	**106**		61	61
Other income	**2,838**	**-**	**2,838**	3,084	-	3,084
Total other operating income	**27,493**	**106**	**27,599**	16,915	61	16,976
Of which:						
Related to continuing operations			**27,599**			16,976
Related to discontinued operations			**-**			-

4.1 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	**802**	897
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	**-**	-

4.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	**31 March 2020**	31 March 2019
	£000	£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.

5. Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2019/20	2018/19
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	**-**	-

6. Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**6,249**	5,599
Purchase of healthcare from non-NHS and non-DHSC bodies	**3,049**	3,080
Staff and executive directors costs	**122,075**	110,015
Remuneration of non-executive directors	**58**	76
Supplies and services - clinical (excluding drugs costs)	**11,766**	11,702
Supplies and services - general	**2,166**	2,146
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**13,533**	13,659
Inventories written down	**31**	29
Consultancy costs	**423**	758
Establishment	**1,384**	1,459
Premises	**5,589**	4,768
Transport (including patient travel)	**47**	67
Depreciation on property, plant and equipment	**5,433**	5,422
Amortisation on intangible assets	**884**	857
Movement in credit loss allowance: contract receivables / contract assets	**161**	(10)
Increase/(decrease) in other provisions	**110**	23
Change in provisions discount rate(s)	**80**	(19)
Audit fees payable to the external auditor:		
- audit services- statutory audit*	**60**	53
- other auditor remuneration (external auditor only)	**3**	10
Internal audit costs	**95**	95
Clinical negligence	**4,699**	5,281
Legal fees	**73**	180
Insurance	**10**	9
Research and development	**-**	-
Education and training	**624**	677
Rentals under operating leases	**324**	259
Early retirements	**-**	-
Redundancy	**-**	-
Hospitality	**3**	2
Losses, ex gratia & special payments	**7**	10
Other services, eg external payroll	**330**	436
Other	**670**	556
Total	**179,936**	167,199
Of which:		
Related to continuing operations	**179,936**	167,199
Related to discontinued operations	**-**	-

* audit services - statutory audit is the amount payable to the external auditors for the audit of the annual accounts. This amount includes non-recoverable VAT. The amount excluding VAT would be £49k (2018/19 £44k).

6.1 Other auditor remuneration

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	3	10
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	3	10

6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2018/19: £2m).

7. Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	-	-
Other	-	-
Total net impairments charged to operating surplus / deficit	-	-
Impairments charged to the revaluation reserve	2,946	14,378
Total net impairments	2,946	14,378

8. Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	83,283	78,255
Social security costs	8,483	7,218
Apprenticeship levy	398	366
Employer's contributions to NHS pensions	13,601	8,864
Pension cost - other	-	-
Termination benefits	-	-
Temporary staff (including agency)	16,660	15,448
Total gross staff costs	122,425	110,151
Recoveries in respect of seconded staff	-	-
Total staff costs	122,425	110,151
Of which		
Costs capitalised as part of assets	350	136

9. Retirements due to ill-health

During 2019/20 there were no 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 £0k (£206k in 2018/19).

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

10. Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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 announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

10.1 National Employment Savings Scheme (NEST)

The Trust also operates the National Employment Savings Scheme (NEST). This is a defined contribution workplace pension scheme. The amount of contribution is in accordance with the national guidelines and is a precentage of employees salary.

11. Operating leases

11.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any agreements where it acts as a lessor.

11.2 George Eliot Hospital NHS Trust as a lessee

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	**324**	259
Total	**324**	259

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	**315**	314
- later than one year and not later than five years;	**670**	918
- later than five years.	**57**	119
Total	**1,042**	1,351
Future minimum sublease payments to be received	**-**	-

The Trust had operating leases for medical equipment and no cars at 31 March 2020 (1 car at 31 March 2019).

The lease cars were originally taken out for either 3 or 4 years.
The medical equipment leases are for 5-7 years.

Expiry of the leases is as follows:

	2019-20	2018-19
	Number	Number
Before 1 year	**-**	1
Between 1 and 5 years	**5**	4
After 5 years	**1**	1
	6	6

12. Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	46	39
Total finance income	46	39

13. Finance expenditure

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	1,217	993
Interest on late payment of commercial debt	3	3
Total interest expense	1,220	996
Unwinding of discount on provisions	1	11
Total finance costs	1,221	1,007

14. The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20	2018/19
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	3	3

15. Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	-	-
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	-	-
Total other gains / (losses)	-	-

16. Intangible assets - 2019/20

	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**5,822**	**2,228**	**21**	**8,071**
Additions	**749**	**-**	**-**	**749**
Reclassifications	**4**	**-**	**(4)**	**-**
Valuation / gross cost at 31 March 2020	**6,575**	**2,228**	**17**	**8,820**
Amortisation at 1 April 2019 - brought forward	**4,519**	**1,610**	**-**	**6,129**
Provided during the year	**583**	**301**	**-**	**884**
Reclassifications	**-**	**-**	**-**	**-**
Amortisation at 31 March 2020	**5,102**	**1,911**	**-**	**7,013**
Net book value at 31 March 2020	**1,473**	**317**	**17**	**1,807**
Net book value at 1 April 2019	**1,303**	**618**	**21**	**1,942**

16.1 Intangible assets - 2018/19

	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 -brought forward	5,311	2,228	47	7,586
Additions	464	-	21	485
Reclassifications	47	-	(47)	-
Valuation / gross cost at 31 March 2019	5,822	2,228	21	8,071
Amortisation at 1 April 2018 - brought forward	3,964	1,308	-	5,272
Provided during the year	555	302	-	857
Reclassifications	-	-	-	-
Amortisation at 31 March 2019	4,519	1,610	-	6,129
Net book value at 31 March 2019	1,303	618	21	1,942
Net book value at 1 April 2018	1,347	920	47	2,314

17. Property, plant and equipment - 2019/20

	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	4,500	51,078	503	142	27,994	155	8,607	701	93,680
Additions	-	2,369	-	1,196	2,323	16	906	168	6,978
Impairments	-	(2,932)	(14)	-	-	-	-	-	(2,946)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	142	-	(142)	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,854)	-	-	-	(1,854)
Valuation/gross cost at 31 March 2020	4,500	50,657	489	1,196	28,463	171	9,513	869	95,858
Accumulated depreciation at 1 April 2019 - brought forward	-	-	-	-	17,501	105	5,359	439	23,404
Provided during the year	-	2,009	20	-	2,237	13	1,105	49	5,433
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,009)	(20)	-	-	-	-	-	(2,029)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,854)	-	-	-	(1,854)
Accumulated depreciation at 31 March 2020	-	-	-	-	17,884	118	6,464	488	24,954
Net book value at 31 March 2020	4,500	50,657	489	1,196	10,579	53	3,049	381	70,904
Net book value at 1 April 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276

17. Property, plant and equipment (continued)

Property, plant and equipment - 2018/19

	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	4,500	63,202	513	420	26,614	167	7,835	678	103,929
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2018 - restated	4,500	63,202	513	420	26,614	167	7,835	678	103,929
Additions	-	1,849	-	122	1,709	25	767	29	4,501
Impairments	-	(14,368)	(10)	-	-	-	-	-	(14,378)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	395	-	(400)	-	-	5	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Valuation/gross cost at 31 March 2019	4,500	51,078	503	142	27,994	155	8,607	701	93,680
Accumulated depreciation at 1 April 2018 - as previously stated	-	4,092	38	-	15,591	132	4,221	395	24,469
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2018 - restated	-	4,092	38	-	15,591	132	4,221	395	24,469
Provided during the year	-	1,965	20	-	2,239	10	1,138	50	5,422
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(6,057)	(58)	-	-	-	-	-	(6,115)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Accumulated depreciation at 31 March 2019	-	-	-	-	17,501	105	5,359	439	23,404
Net book value at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276
Net book value at 1 April 2018	4,500	59,110	475	420	11,023	35	3,614	283	79,460

17.2 Property, plant and equipment financing - 2019/20

	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	**4,500**	**50,310**	**489**	**1,196**	**10,040**	**53**	**3,049**	**381**	**70,018**
Owned - donated	**-**	**347**	**-**	**-**	**539**	**-**	**-**	**-**	**886**
NBV total at 31 March 2020	**4,500**	**50,657**	**489**	**1,196**	**10,579**	**53**	**3,049**	**381**	**70,904**

17.3 Property, plant and equipment financing - 2018/19

	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	4,500	50,735	503	142	9,941	50	3,248	262	69,381
Owned - donated	-	343	-	-	552	-	-	-	895
NBV total at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276

18. Donations of property, plant and equipment

The Trust had no donations of property, plant and equipment received during the year (2018/19 £Nil)

19. Revaluations of property, plant and equipment

Land, Buildings and Dwellings were valued as Modern Equivalent Assets (MEA) at the 31st March 2020 by Stephen Pollock BSc FRICS Cert Acct (Open), RICS Registered Valuer Avison Young, Independent Property Valuers, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, January 2014, IFRS and FReM guidelines. The value is based on the IFRS 13 definition of Fair Value and the definition adopted by the International Accounting Standards Board (IASB), being the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Depreciated Replacement Cost (DRC) is recognised under IAS 16 as a basis of valuation for financial reporting purposes. DRC assessments were undertaken for those properties considered to be specialised properties. A Specialised Property is a property that is rarely if ever sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location, or otherwise.

The valuation is subject to adequate service potential, which is defined as: “The capacity of an asset to continue goods and services in accordance with the entity’s objectives”. It is assumed that the current use/services would still have to be provided by the Trust in the locality of Nuneaton. In accordance with Valuation Standard 2 of the RICS Valuation - Professional Standards January 2014, incorporating the International Valuation Standards 2013, the Market Values of the properties for alternative use (on cessation of the existing business) are likely to be materially lower than the Market Value, with continued use and Depreciated Replacement Cost figures reported.

The basis of the valuation for the property, which is all freehold, is as follows:-

-Operational areas.-Fair Value. (DRC) (IAS16)

-Surplus and Non-operational Buildings.-Market Value (IFRS 5)

-Mobile Phone Masts, Retail Shop, Nursery, Private Healthcare Clinic.-Market Value (IAS40). This property and associated land value is reported in note 16 under the heading land and buildings.

20. Investment Property

The Trust does not have any investment property (31 March 2019 £nil).

21. Investments in associates and joint ventures

The Trust does not have any investments in associates and joint ventures (31 March 2019 £nil).

22. Other investments / financial assets (non-current)

The Trust does not have any other investments / financial assets (non-current) (31 March 2019 £nil).

23. Disclosure of interests in other entities

The Trust had no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities.

24. Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	**776**	1,178
Consumables	**1,597**	871
Energy	**41**	41
Other	**-**	-
Total inventories	**2,414**	2,090
of which:		
Held at fair value less costs to sell	**-**	-

Inventories recognised in expenses for the year were £15,854k (2018/19: £16,376k). Write-down of inventories recognised as expenses for the year were £31k (2018/19: £29k).

25. Receivables

	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	**33,093**	12,820
Allowance for impaired contract receivables / assets	**(582)**	(421)
Prepayments (non-PFI)	**1,211**	1,054
VAT receivable	**331**	150
Other receivables	**401**	165
Total current receivables	**34,454**	13,768
Non-current		
Contract receivables	**260**	265
Other receivables	**328**	-
Total non-current receivables	**588**	265
Of which receivable from NHS and DHSC group bodies:		
Current	**30,774**	10,775
Non-current	**321**	-

Note 1. The largest proportion of trade is with Clinical Commissioning Groups. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 2. Contract receivables includes £13,348k accrued income, relating to FRF and PSF income due to the Trust based on acheivement of financial performance targets.

25.1 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April 2019 - brought forward	**421**	**-**	**-**	**432**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			432	(432)
New allowances arising	390	-	48	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(229)	-	(58)	-
Utilisation of allowances (write offs)	-	-	(1)	-
Allowances as at 31 Mar 2020	**582**	**-**	**421**	**-**

25.2 Exposure to credit risk

The allowance of £558k above at the 31 March 2020 includes £188k relating to Injury Cost Recovery Scheme debtors. These are provided for using national assumptions about the likelihood of debt recovery. The Trust's policy for calculating the allowance against other debtors is that debts over 90 days are reviewed and an allowance made for any debts for which there is a risk of non-recovery. Amounts being recovered by instalment payments are excluded. An assessment has been undertaken of the remaining £370k based on the historical recovery of debts in the categories of private patients, local authorities and other individuals. This was based on the debtors outstanding at 31 March 2019 and the rate of recovery in year. This was broadly in line with the Trust's policy for calculating the allowance, which has therefore not been restated.

26. Other assets

The Trust had no Other assets at 31 March 2020 (31 March 2019 £nil).

27. Non-current assets held for sale and assets in disposal groups

The Trust had no Non-current assets at 31 March 2020 (31 March 2019 £nil).

27.1 Liabilities in disposal groups

The Trust had no liabilities in disposal groups at 31 March 2020 (31 March 2019 £nil).

28. 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.

	2019/20	2018/19
	£000	£000
At 1 April	**1,307**	1,819
Net change in year	**(277)**	(512)
At 31 March	**1,030**	1,307
Broken down into:		
Cash at commercial banks and in hand	**32**	33
Cash with the Government Banking Service	**998**	1,274
Total cash and cash equivalents as in SoFP	**1,030**	1,307
Total cash and cash equivalents as in SoCF	**1,030**	1,307

29. Third party assets held by the trust

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts. No money was held at the bank or on deposit (31 March 2019 £nil).

30. Trade and other payables

	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	**10,974**	5,586
Capital payables	**3,312**	2,256
Accruals	**4,171**	5,570
Receipts in advance and payments on account	**-**	-
Social security costs	**1,198**	1,081
Other taxes payable	**1,071**	913
PDC dividend payable	**-**	-
Other payables	**1,434**	1,238
Total current trade and other payables	**22,160**	16,644
Non-current		
Trade payables	**-**	-
Capital payables	**-**	-
Accruals	**-**	-
Receipts in advance and payments on account	**-**	-
Other taxes payable	**-**	-
Other payables	**-**	-
Total non-current trade and other payables	**-**	-
Of which payables from NHS and DHSC group bodies:		
Current	**4,615**	4,443
Non-current	**-**	-

30.1 Early retirements in NHS payables above

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

	31 March 2020	31 March 2020	31 March 2019	31 March 2019
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	-		**-**	
- number of cases involved		-		-

31. Other financial liabilities

The Trust has no Other financial liabilities (31 March 2019 - £nil).

32. Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	**1,450**	1,593
Other deferred income	**-**	-
Total other current liabilities	**1,450**	1,593

33. Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	**91,354**	32,322
Other loans	**775**	775
Total current borrowings	**92,129**	33,097
Non-current		
Loans from DHSC	**-**	42,856
Other loans	**388**	1,162
Total non-current borrowings	**388**	44,018

Borrowings / Loans - repayment of principal falling due in:

	31 March 2020			31 March 2019
	DH £000s	**Other £000s**	**Total £000s**	£000s
0-1 Years	**91,109**	**775**	**91,884**	32,912
1 - 2 Years	**0**	**388**	**388**	20,613
2 - 5 Years	**0**	**0**	**0**	19,980
Over 5 Years	**0**	**0**	**0**	3,424
TOTAL	**91,109**	**1,163**	**92,272**	76,929

Borrowings include the following loans from the Department of Health:

	Duration Remaining At 31 March 2020 (Note 1 below)	Interest rate	Repayment terms
Interim Capital Support Loan £1.1m (2014-15)	6 months	1.09%	End of term (Sep 2020)
Interim Capital Support Loan £11.606m (2015-17)	6 months	1.50%	End of term (Sep 2020)
Interim Capital Support Loan £3.512m (2016-17)	6 months	0.88%	End of term (Sep 2020)
Interim Capital Support Loan £1.405m (2017-18)	6 months	0.97%	End of term (Sep 2020)
Interim Capital Support Loan £2.636m (2019-20)	6 months	0.68%	End of term (Sep 2020)
Interim Revenue Support Loan £10.233m (2015-16) *	6 months	1.50%	End of term (Sep 2020)
Interim Revenue Support Loan £13.876m (2016-17)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.883m (Dec 2016)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Jan 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.500m (Feb 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.800m (Mar 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.425m (Apr 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.100m (May 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.300m (Jun 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.750m (Jul 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.775m (Sep 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.600m (Oct 2017)	6 months	1.50%	End of term (Sep 2020)

Borrowings include the following loans from the Department of Health (continued):

Uncommitted Revenue Support Loan £1.200m (Nov 2017)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.400m (Dec 2017)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.461m (Jan 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £3.450m (Feb 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £4.500m (Mar 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.250m (Apr 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.000m (May 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.045m (Jun 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Aug 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.225m (Sep 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.600m (Oct 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.500m (Nov 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.500m (Dec 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.900m (Feb 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.256m (Mar 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.500m (Apr 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.950m (May 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.850m (Jun 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.300m (Jul 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.200m (Sep 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.300m (Nov 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Dec 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.850m (Jan 2020)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.268m (Feb 2020)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.110m (Mar 2020)	6 months	End of term (Sep 2020)

Note 1: The Trust has been notified that funding will be restructured in September 2020, which will result in all DHSC loans being converted to Public Dividend Capital. Loans have therefore been reclassified at 31 March 20 as current liabilities falling due in less than one year, although the Trust is not required to make any further repayments of loan principal or interest after 31 March 2020.

33.1 Reconciliation of liabilities arising from financing activities -2019/20

	Loans from DHSC	**Other loans**	**Total**
	£000	**£000**	**£000**
Carrying value at 1 April 2019	**75,178**	**1,937**	**77,115**
Cash movements:			
Financing cash flows - payments and receipts of principal	**16,117**	**(776)**	**15,341**
Financing cash flows - payments of interest	**(1,157)**	**-**	**(1,157)**
Non-cash movements:			
Application of effective interest rate	**1,216**	**-**	**1,216**
Change in effective interest rate	**-**	**-**	**-**
Early terminations	**-**	**-**	**-**
Other changes	**-**	**-**	**-**
Carrying value at 31 March 2020	**91,354**	**1,163**	**92,517**

33.2 Reconciliation of liabilities arising from financing activities-2018/19

	Loans from DHSC	Other loans	Total
	£000	£000	£000
Carrying value at 1 April 2018	61,723	2,712	64,435
Cash movements:			
Financing cash flows - payments and receipts of principal	13,269	(775)	12,494
Financing cash flows - payments of interest	(947)	-	(947)
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	140	-	140
Application of effective interest rate	993	-	993
Carrying value at 31 March 2019	75,178	1,937	77,115

34. Other financial liabilities

The Trust does not have any other financial liabilities.

35. Finance leases

35.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any finance lease receivables as lessor.

35.2 George Eliot Hospital NHS Trust as a lessee

The Trust does not have any finance lease obligations as lessee.

36. Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**706**	**43**	**-**	**289**	**1,038**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	**80**	**-**	**-**	**-**	**80**
Arising during the year	**28**	**105**	**321**	**686**	**1,140**
Utilised during the year	**(36)**	**(5)**	**-**	**(114)**	**(155)**
Reclassified to liabilities held in disposal groups	**-**	**-**	**-**	**-**	**-**
Reversed unused	**-**	**(28)**	**-**	**(83)**	**(111)**
Unwinding of discount	**1**	**-**	**-**	**-**	**1**
At 31 March 2020	**779**	**115**	**321**	**778**	**1,993**
Expected timing of cash flows:					
- not later than one year;	**37**	**115**	**-**	**778**	**930**
- later than one year and not later than five years;	**149**	**-**	**321**	**-**	**470**
- later than five years.	**593**	**-**	**-**	**-**	**593**
Total	**779**	**115**	**321**	**778**	**1,993**

Legal Claims
Legal claims comprise employer's liability and injury allowance payments which the Trust may be required to pay in the future. It is assumed that all employment liability claims will be paid within one year and that injury allowances are payable over the life of the recipient. The amount over five years is repayable in quarterly instalments. The injury allowance is currently £36,810 per annum, discounted by -0.50%.

Clinical Pension Tax Reimbursement
Clinical Pension Tax Reimbursement is a provision for potential future claims following retirement for eligible individuals.

Clinical negligence liabilities
At 31 March 2020, £49,103k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of George Eliot Hospital NHS Trust (31 March 2019: £12,583k).

Other
Other provisions include claims made by employees and former employees.

37. Contingent assets and liabilities

Financial responsibility for clinical negligence cases passed to NHS Resolution, (formerly known as The NHS Litigation Authority) on 1 April 2002. No contingencies or provisions are left in the accounts in relation to these cases, even though the legal liability for them remains with the Trust. The Trust has no other contingent assets and liabilities (31 March 2019 £nil).

38. Contractual capital commitments

	31 March 2020	31 March 2019
	£000	£000
Property, plant and equipment	**1,003**	1,185
Intangible assets	**-**	46
Total	**1,003**	1,231

39. Other financial commitments

The Trust had no other financial commitments at 31 March 2020 (31 March 2019 £nil).

40. Financial instruments

40.1 Financial risk management

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

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Trust Board. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk
The Trust is principally a domestic organisation with the 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 and for revenue deficit support, subject to affordability as confirmed by the NHSI. The capital borrowings are for 1 – 10 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

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

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

40.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	**32,591**	**-**	**-**	**32,591**
Other investments / financial assets	**-**	**-**	**-**	**-**
Cash and cash equivalents	**1,030**	**-**	**-**	**1,030**
Total at 31 March 2020	**33,621**	**-**	**-**	**33,621**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	12,245	-	-	12,245
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	1,307	-	-	1,307
Total at 31 March 2019	13,552	-	-	13,552

40.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	**91,354**	**-**	**91,354**
Obligations under finance leases	**-**	**-**	**-**
Other borrowings	**1,163**	**-**	**1,163**
Trade and other payables excluding non financial liabilities	**19,631**	**-**	**19,631**
Other financial liabilities	**-**	**-**	**-**
Provisions under contract	**-**	**-**	**-**
Total at 31 March 2020	**112,148**	**-**	**112,148**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	75,178	-	75,178
Obligations under finance leases	-	-	-
Other borrowings	1,937	-	1,937
Trade and other payables excluding non financial liabilities	13,593	-	13,593
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2019	90,708	-	90,708

40.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value except for a loan from Salix which has been discounted using the Treasury short term discount rate of 0.51% (31 March 2019 0.76%). The impact of applying this discount rate would be to decrease the fair value of borrowings by £2k (2018/19 decrease £12k).

40.5 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	111,761	46,690
In more than one year but not more than two years	387	20,614
In more than two years but not more than five years	-	19,980
In more than five years	-	3,424
Total	**112,148**	90,708

40.6 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value.

41. Losses and special payments

	2019/20		2018/19	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses				
Cash losses	**4**	**-**	3	1
Fruitless payments	**-**	**-**	-	-
Bad debts and claims abandoned	**69**	**1**	88	2
Stores losses and damage to property	**4**	**34**	1	30
Total losses	**77**	**35**	92	33
Special payments				
Compensation under court order or legally binding arbitration award	**7**	**43**	4	49
Extra-contractual payments	**-**	**-**	-	-
Ex-gratia payments	**15**	**6**	17	6
Special severance payments	**-**	**-**	-	-
Extra-statutory and extra-regulatory payments	**-**	**-**	-	-
Total special payments	**22**	**49**	21	55
Total losses and special payments	**99**	**84**	113	88
Compensation payments received		**-**		-

There were no clinical cases where the net payment exceeded £300,000 (2018/19 £Nil).

There were no fraud cases where the net payment exceeded £300,000 (2018/19£Nil).

42. Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with George Eliot Hospital NHS Trust.

The Department of Health and Social Care is the parent department. During the year George Eliot Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The George Eliot Hospital NHS Trust Charitable Fund and Other Related Charities is a related party. The charity has not been consolidated in these accounts. The nature of the relationship and the details of material transactions between the Trust and the linked charities must be disclosed.

42. Related parties (continued)

42.1 Related bodies with transactions over £1m with the Trust were:

	2019/20 Payments to Related Party	2019/20 Receipts from Related Party	31 March 2020 Amounts owed to Related Party	31 March 2020 Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	**0**	**10,396**	**49**	**69**
NHS Warwickshire North CCG	**0**	**98,481**	**517**	**5,500**
NHS West Leicestershire CCG	**0**	**14,870**	**71**	**3,341**
Health Education England	**0**	**6,061**	**0**	**0**
NHS England - Core	**0**	**17,089**	**0**	**14,472**
NHS England - Midlands Regional Office	**45**	**3,018**	**50**	**817**
NHS England - West Midlands Specialised Commissioning Hub	**0**	**13,905**	**11**	**2,929**
University Hospitals Coventry and Warwickshire NHS Trust	**6,697**	**2,202**	**3,102**	**1,869**
South Warwickshire NHS Foundation Trust	**1,702**	**51**	**702**	**134**
NHS Resolution (Formerly NHS Litigation Authority)	**4,699**	**0**	**0**	**0**

	2018/19 Payments to Related Party	2018/19 Receipts from Related Party	31 March 2019 Amounts owed to Related Party	31 March 2019 Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	0	10,115	66	330
NHS Warwickshire North CCG	34	90,189	2,029	367
NHS West Leicestershire CCG	0	14,051	93	1,244
Health Education England	2	5,944	0	257
NHS England - Core	0	2,956	13	1,922
NHS England - West Midlands Local Office	1	2,576	0	32
NHS England - West Midlands Specialised Commissioning Hub	0	12,105	(17)	621
University Hospitals Coventry and Warwickshire NHS Trust	6,574	1,694	1,705	1,073
University Hospitals of Leicester NHS Trust	30	511	5	1,137
NHS Resolution (Formerly NHS Litigation Authority)	0	5,281	0	11

43. Prior period adjustments

There have been no prior period adjustments.

44. Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £91,354k as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

45. Better Payment Practice code

	2019/20	2019/20	2018/19	2018/19
Non-NHS Payables	**Number**	**£000**	Number	£000
Total non-NHS trade invoices paid in the year	**32,398**	**55,367**	34,743	58,066
Total non-NHS trade invoices paid within target	**20,198**	**32,622**	28,273	47,976
Percentage of non-NHS trade invoices paid within target	**62.3%**	**58.9%**	81.4%	82.6%
NHS Payables				
Total NHS trade invoices paid in the year	**984**	**9,695**	1,102	8,385
Total NHS trade invoices paid within target	**407**	**6,306**	567	3,971
Percentage of NHS trade invoices paid within target	**41.4%**	**65.0%**	51.5%	47.4%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

46. External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2019/20	2018/19
	£000	£000
Cash flow financing	**16,168**	13,449
Finance leases taken out in year	**-**	-
Other capital receipts	**-**	-
External financing requirement	**16,168**	13,449
External financing limit (EFL)	**16,168**	13,753
Under spend against EFL	**-**	304

47. Capital Resource Limit

	2019/20	2018/19
	£000	£000
Gross capital expenditure	**7,727**	4,986
Less: Disposals	**-**	-
Less: Donated and granted capital additions	**(106)**	(61)
Charge against Capital Resource Limit	**7,621**	4,925
Capital Resource Limit	**7,718**	5,916
Under spend against CRL	**97**	991

48. Breakeven duty financial performance

	2019/20	2018/19
	£000	£000
Adjusted financial performance surplus / (deficit) (control total basis)	**19**	(12,790)
Add back income for impact of 2018/19 post-accounts PSF reallocation	**194**	-
Breakeven duty financial performance surplus / (deficit)	**213**	(12,790)

49. Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,164	112	45	32	(10,165)
Breakeven duty cumulative position	(3,727)	(2,563)	(2,451)	(2,406)	(2,374)	(12,539)
Operating income		105,330	108,324	117,011	122,494	126,638
Cumulative breakeven position as a percentage of operating income		(2.4%)	(2.3%)	(2.1%)	(1.9%)	(9.9%)

	2014/15	2015/16	2016/17	2017/18	2018/19	**2019/20**
	£000	£000	£000	£000	£000	**£000**
Breakeven duty in-year financial performance	367	(15,235)	(13,770)	(17,982)	(12,790)	**213**
Breakeven duty cumulative position	(12,172)	(27,407)	(41,177)	(59,159)	(71,949)	**(71,736)**
Operating income	141,292	133,910	138,457	143,445	155,268	**181,297**
Cumulative breakeven position as a percentage of operating income	(8.6%)	(20.5%)	(29.7%)	(41.2%)	(46.3%)	**(39.6%)**

The Trust has a statutory duty to break even on a cumulative basis. In 2005-06 the Trust incurred a £7.3m deficit and in April 2006 a Public Interest Report was issued under Section 8 of the Audit Commission Act 1998 in relation to the financial standing of the Trust. The Trust developed a 5 year Financial Recovery Plan (FRP) which was agreed with the Strategic Health Authority and the Department of Health to achieve cumulative break even by the end of 2011-12. During the 6 years to March 2013 the Trust generated surplus and was able to repay part of the deficit still leaving a balance of £2.4m to be repaid in the future. In 2011-12 and 2012-13 the Trust required support funding of £2.3m and £5.0m respectively to breakeven. In 2013-14 the Trust incurred a deficit of £10.2m due to the investment in clinical services following the implementation of the Keogh Action plan. The surplus in 2014-15 was achieved with the support of income from the Department of Health amounting to £12m. The deficit in 2015-16 was £15.2m against the original plan of £16m. The deficit in 2016-17 was £13.8m which an improvement against the plan of £14.7m. The deficit reported in 2017-18 worsened to £18.0m and in 2018-19 improved to £12.8m. In 2019-20 the Trust reported a minor surplus position. The cumulative deficit at the 31st March 2020 therefore remained at £71.7m. Because of the cumulative deficit External Auditors have been required to issue Section 30 letters to the Secretary of State for Health informing him that the Trust has not met its statutory duty to break-even over a 5 year period in accordance with the Audit Commission Act 1998.

50. Pathology Service

George Eliot Hospital NHS Trust, University Hospitals Coventry and Warwickshire NHS Trust and South Warwickshire General Hospitals NHS Trust formed a single pathology service at 1 April 2008. The service is hosted by University Hospitals Coventry and Warwickshire NHS Trust and there is an accountability agreement approved by the Trusts. The agreement will continue until terminated through agreement of the Stakeholder Board. The agreement includes risk and benefit sharing; the Trust share being 13.6%. Payments for the service are now made in accordance with a service level agreement.

The Pathology Service accounts reported by University Hospital Coventry and Warwickshire NHS Trust were:

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		George Eliot Hospital NHS Trust's Share	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Revenue from patient care activities	**2,273**	2,357	**310**	321
Other operating revenue	**44,077**	42,124	**6,003**	5,729
Operating expenses	**(46,351)**	(44,475)	**(6,313)**	(6,049)
Operating (deficit)	**(1)**	6	**0**	1

University Hospitals Coventry and Warwickshire NHS Trust reported a deficit of £1,000 in their accounts for the pathology service in 2019/20 (2018/19 surplus of £6,000), the George Eliot Hospital NHS Trust's share was £nil. (2018/19 surplus of £1,000).

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		**George Eliot Hospital NHS Trust's Share**	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Non-current assets	**982**	1,186	**134**	161
Current assets				
Inventories and work in progress	**970**	876	**132**	119
Trade and other receivables	**5,373**	2,189	**731**	298
	6,343	3,065	**863**	417
Current liabilities (Note 1 below)	**(9,801)**	(6,726)	**(1,217)**	(798)
Net current (liabilities)	**(3,458)**	(3,661)	**(354)**	(381)
Total assets less current liabilities	**(2,476)**	(2,475)	**(220)**	(220)
Non current liabilities	**0**	0	**0**	0
Total assets employed	**(2,476)**	(2,475)	**(220)**	(220)
Financed by taxpayers' equity:				
Public dividend capital	**434**	434	**175**	175
Retained earnings	**(2,910)**	(2,909)	**(395)**	(395)
Total taxpayers' equity	**(2,476)**	(2,475)	**(220)**	(220)

University Hospitals Coventry and Warwickshire NHS Trust reported net liabilities of £2,476,000 (2018/19 net liabilities of £2,475,000) in their accounts for the pathology service; the George Eliot Hospital NHS Trust's share were net liabilities of £220,000 (2018/19 £220,000) which included £134,000 of non-current assets (2018/19 £161,000).