

Great Western Hospitals NHS Foundation Trust
Annual Report and Accounts
2019/20

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

Contents

CHAIR AND CHIEF EXECUTIVE'S STATEMENT	6
1. PERFORMANCE REPORT	
1.1 Overview of Performance.....	9
2. ACCOUNTABILITY REPORT	
2.1 Directors' Report	18
2.2 Remuneration Report.....	35
2.3 Staff Report	46
2.4 NHS Foundation Trust Code of Governance	70
2.5 Single Oversight Framework.....	93
2.6 Statement of Accounting Officer's responsibilities	96
2.7. Annual Governance Statement	98
2.8 Voluntary Disclosures.....	122
3. AUDITOR'S OPINION AND CERTIFICATE.....	123
4. OTHER	
4.1 Glossary of Terms	131
5. FOREWARD TO THE ACCOUNTS.....	135

CHAIR AND CHIEF EXECUTIVE'S STATEMENT

Welcome to our Annual Report and Accounts for 2019/20.

This has been a year in which we, along with the rest of the NHS and the country, have experienced unprecedented change, but our focus on providing the highest quality care for patients, and supporting our staff to do this, remains central to everything we do.

In June we launched our new five-year strategy, developed in conjunction with our staff, governors, commissioners and public.

We agreed our overall vision – 'We will deliver great joined up services for local people at home, in the community and in hospital, helping them to lead healthier and independent lives'.

Our strategy is based on four pillars, each of which placed quality at the heart:

- Outstanding patient care and a focus on quality in all that we do
- Staff and volunteers feeling valued and involved in helping improve quality of care for patients
- Improving the quality of patient care by joining up acute and community services in Swindon and through partnerships with other providers
- Using our funding wisely to give us a stronger foundation to support sustainable improvements in quality of patient care.

A number of sub-strategies will help us deliver our overarching vision. One of these, our People Strategy, sets out our approach to developing, strengthening and retaining our workforce over the next five years to ensure our staff and volunteers feel valued, equipped and empowered to provide the best possible experience and outcomes for patients. It also looks at how we will address difficulties in recruitment and reducing our use of agency support. This will be increasingly important as the Trust has taken on an increased range of professionals, such as GPs, in recent months.

During the year we made a wide range of quality improvements including:

- Reducing the number of bed moves for frail, older patients
- A new community-based end of life rapid response protocol to manage the patient's transition from hospital to home, and their care needs at home
- A new waiting area in the delivery suite for expectant mothers
- A revolutionary heart monitor allowing patients to see their heart's activity and record symptoms via a smartphone app
- 'Reverse streaming' to ensure a more integrated and well-coordinated service for patients arriving at our Emergency Department or Urgent Care Centre
- Reviewing the care of those patients staying the longest in hospital to ensure they don't get stuck in the system because of their more complex needs
- Creating a designated Neonatal Transitional Care Ward to help keep mothers and babies together
- Working closely with the Thames Valley Cancer Alliance, we took part in a collaborative cancer improvement programme, focused on patients with bowel cancer
- Introducing electronic observations for suspected sepsis and acute kidney injury to improve safety
- An upgraded system for electronic prescribing and medicines administration.

Having started the financial year assessed as being 'requires improvement' by the CQC we welcomed the inspection team back to the acute hospital in January 2020. The inspectors visited a number of areas, including the Emergency and Urgent Care departments, X-Ray, Pharmacy, Theatres, SwICC and many of our medical, surgical and maternity wards over a three-day period. We are currently awaiting the report from the CQC although, at the time of writing, the well-led element of the inspection had not been able to be completed due to coronavirus.

At the end of November we took over the running of two GP practices in Swindon, Moredon and Abbey Meads, which together have around 30,000 patients. This is a significant step on our journey to true

integration of the local health system, with the ultimate aim of providing seamless care for patients in primary, acute and community settings – something only a few places in the country are doing.

Both practices, rated as inadequate and holding special measures, had been poorly run by the previous provider, which meant we had a huge challenge to overcome to ensure their stability and begin to bring in a number of improvements for both patients and staff.

Improvements made so far include:

- An increase in on-the day appointments,
- The introduction of a 'call-back' feature which allows patients to be rung back when a call handler is available so they do not need to spend time waiting in a queue.
- Advance appointment booking and an increase in the number of GPs
- Better management of patient notes
- Improved staff engagement and morale.

We have worked very closely with Bath and North East Somerset, Swindon and Wiltshire Clinical Commissioning Group to bring these two practices up to a more stable and resilient position and will continue to do so with on-going financial support over the next three years. The practices were visited by CQC inspectors in February, who recognised the improvements made. While Abbey Meads remains 'inadequate', we are pleased that Moredon has moved up to 'requires improvement'.

Working to improve these practices will require considerable time and resource, in doing so we are mindful that we also need to keep improving services within our acute and community settings too. We will need to take advantage of opportunities to improve integration across the Trust and work with others to continue improvements across the entire health and care system.

Throughout the year we have worked closely with a wide range of partner organisations and are increasingly seeing the benefits of working as a key part of a wider health system – the Bath and North East Somerset, Swindon and Wiltshire Sustainability and Transformation Partnership.

We also meet monthly with Salisbury NHS Foundation Trust and Royal United Hospitals Bath NHS Foundation Trust, as part of the Acute Hospital Alliance. This alliance has helped to further foster effective and collaborative working relationships between the three Trusts. Most recently the three trusts have identified some of the changes made to manage the response to COVID-19 which they'd like to continue with. These transformations, coupled with the forthcoming development of the BSW STP into an Integrated Care System have helped inform a refreshed Alliance programme with three workstreams: corporate; the next phase of the COVID response; and effective BSW partnership.

This Annual Report highlights just some of our achievements, all of which of course have been delivered by our incredible workforce working in primary, acute and community settings. This year's NHS Staff Survey results showed that our staff saw an improvement in support from managers, equality and diversity and a safe working environment. There were indications that our new staff recognition and wellbeing programme, and the additional resources we have invested in to assist with pressures and patient flow, have gone some way in helping staff to feel more supported and valued. We will work to address the concerns raised in the survey about quality of care, which are reflective of the high demand and continuous pressures that we face.

Working in a hospital environment can be demanding, and some cases can be emotionally challenging. We recognise that it is important that we offer a wide range of support to our staff, to help them to continue to provide high quality care to our patients. As part of our work to facilitate psychological and emotional support, we set up Schwartz Rounds - evidence-based forums for hospital staff of all backgrounds (both clinical and non-clinical) to come together to talk about the emotional challenges of caring for patients, supported in a safe environment where they can share their experiences.

The challenge we face as demands upon our Emergency Department have grown and now exceed the capacity it was designed for. Work has continued on our Way Forward Programme, to build more integrated, streamlined and efficient models of care that will provide an effective balance of urgent and longer term services to meet the needs of the rapidly growing and ageing local population. The programme has four main elements: Expansion and co-location of urgent and emergency services; the purchase of expansion land; creating a new intensive rehabilitation service; and building a new private patient unit. Work on this

programme is likely to require additional thought now that we are dealing with coronavirus and the impact that this will bring into 2020/21. We are working closely with NHSI on our progressing business case.

Following the success of the £2.9million target for the Radiotherapy Appeal, our Brighter Futures team continues to work incredibly hard to raise vital funds to support the Trust. As part of the Special Care Baby Unit Appeal, they purchased nine out of ten Drager Babyleo incubators for premature babies, and are close to hitting the target to purchase the final one. They also ran a project looking at nutrition and hydration, and raised funds to purchase equipment designed to support patients with their eating and drinking, particularly for patients living with dementia. The team also hit targets for a new fibro liver scanner and rehabilitation bike. Work was due to commence on the Radiotherapy Centre early this year, but has been put on hold due to the COVID-19 outbreak. Other projects set up by Brighter Futures, including the Better Births Appeal, continue to run.

The Trust ended the 2019/20 financial year with a deficit of £20.7m, which was £9.2m away from our plan, and we continue to face significant financial challenges, principally caused by increasing levels of demand, bed capacity and agency staffing costs. We continue to work to deliver cost-savings, while working to improve patient and staff experience, and quality of care. Further details of our financial performance are contained within this report.

The last few weeks of the financial year were increasingly focused on our response to coronavirus, with almost all routine activity cancelled to free up the resource and capacity to prepare for, and manage, the increase in patients with confirmed or suspected COVID-19.

In just a few weeks, we transformed the way in which the Trust had to operate, as we cancelled elective operations and outpatient appointments, with the exception of patients with cancer or those patients assessed as being clinically urgent, and restricted visitors. This enabled us to expand our capacity to care for the most critically ill patients, and we retrained staff to increase our ability to provide this care. We also changed the way we work in primary and community care, ensuring we provided care and support to some of the most vulnerable people in society.

While the scale of what we faced, and continue to face, is clearly very significant, we shouldn't let it overshadow the many achievements we made in 2019/20.

During the year we had a number of senior management changes. We said goodbye to Nerissa Vaughan, our Chief Executive since 2011, and Kevin McNamara acted up into this role before being appointed to the substantive position on 27 March 2020 following an open and competitive national recruitment process. Charlotte Forsyth was appointed as Medical Director, and Jude Gray joined the Trust as Director of Human Resources and Organisational Development, along with Tracy Cotterill as Interim Director of Finance and Lizzie Abderrahim as Non-Executive Director.

It is an honour for us to lead this Trust, and to be supported by a Board, staff, volunteers and our partners who are all committed to doing the very best for all the people we care for.

Together we will rise to the challenges of improving quality of care, staff engagement, operational performance, financial management and will drive forward the integration of the local health economy and the STP.

At the time of writing we do not know what will happen next with coronavirus. But what we do know is we have learned a lot, as a Trust and as a system, about how we might be able to operate in a different way in the future. Rather than working in a post-coronavirus world, we anticipate having to learn to operate alongside COVID-19 for the foreseeable future, and we are confident we will meet this challenge and continue to deliver high quality care for the people of Swindon and surrounding areas.



Liam Coleman
Chairman
19 June 2020



Kevin McNamara
Chief Executive
19 June 2020

1. PERFORMANCE REPORT

1.1 Overview of Performance

This section provides information about the Trust's main objectives and strategies and principal risks. A brief overview and analysis of performance is included.

Trust Strategy

<p>Our Vision</p> 	<p>We will deliver great joined up services for local people at home, in the community and in hospital, helping them to lead independent and healthier lives.</p>
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Our vision is deliberately ambitious and to deliver it we will need to move further and faster to adopt new and innovative ways of delivering care. Providing the best service and great care, by great people will be at the forefront of our approach but we will do so in a safe and sustainable way to ensure the long term viability of the Trust.

Our overall approach is centred on quality in patient care, which provides an overarching direction and context for all Trust strategies. It is part of a dynamic process and has been informed by our organisation and operational plans as well as discussions with key partners including staff, patients, their carers, commissioners, members and our local community.

Our strategic pillars – what we will be known for

We will continue to provide high quality care for patients and service users in the right place and at the right time by delivering the most efficient use of resources. Our strategy is designed with the patient as the absolute focus, with quality and safety as the foundation of how we develop and deliver services in a sustainable way.

We have set ourselves four strategic pillars that drive the broad outcomes we aim to achieve in the next five years.

 <p>Outstanding patient care and a focus on quality improvement in all that we do</p> <p>We aim to be rated as outstanding by the CQC. We will take a big step towards this by achieving a Good rating overall at our next inspection in 2019/20.</p>	 <p>Staff and volunteers feeling valued and involved in helping improve quality of care for patients</p> <p>Achieve top 20% in the National NHS Staff Survey and achieve upper quartile in staff retention rate</p>	 <p>Improving the quality of patient care by joining up acute and community services in Swindon and through partnerships with other providers</p> <p>We will see single pathways of care operating between acute and community and a shared care record in place. With our partners we will have a reduced growth in demand for urgent and emergency care through joining up services, prevention and reducing hospital bed days.</p>	 <p>Using our funding wisely to give us a stronger foundation to support sustainable improvements in quality of patient care</p> <p>Services should be operating within the top quartile of Model Hospital, offering best value for money.</p>
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Over the next few years improvements will be delivered through progressive pieces of work with benefits being achieved at different times.

History of the Trust

On 1 December 2008 Great Western Hospitals NHS Foundation Trust was authorised as a Foundation Trust and was established as a public benefit corporation under the NHS Act 2006. On becoming a Foundation Trust the name of the organisation was changed from Swindon and Marlborough NHS Trust to the name we have now.

On 1 June 2011 the Trust won the contract to provide a range of community health services and community maternity services across Wiltshire and the surrounding areas, which were previously provided by Wiltshire Community Health Services. However during 2014/15 the Trust ceased to provide community maternity services which transferred to the Royal United Hospital, Bath NHS Foundation Trust following competitive tender.

During 2015/16 the Trust established a Joint Venture, Wiltshire Health & Care LLP (a limited liability partnership), with Royal United Hospitals Bath NHS Foundation Trust and Salisbury NHS Foundation Trust to competitively bid in partnership for Wiltshire Adult Community Services. In January 2016 the Joint Venture was notified that it had been successful in its bid and was awarded the contract from 1 July 2016. Although this was a joint venture the staff were employed by this Trust. However on 31 March 2018, the staff concerned TUPE transferred to the Wiltshire Health and Care Partnership.

In 2016 the Trust placed an expression of interest to Swindon Clinical Commissioning Group for the provision of Swindon Integrated Adult Community Services. The Trust was agreed as the preferred provider, but prior to formal contract, the Trust was asked to “caretake” the services due to the existing provider “SEQOL” ceasing to operate. Therefore, from 1 October 2016, the Trust provided adult community health services in Swindon under a caretaker agreement. A formal contract for these services began in August 2017.

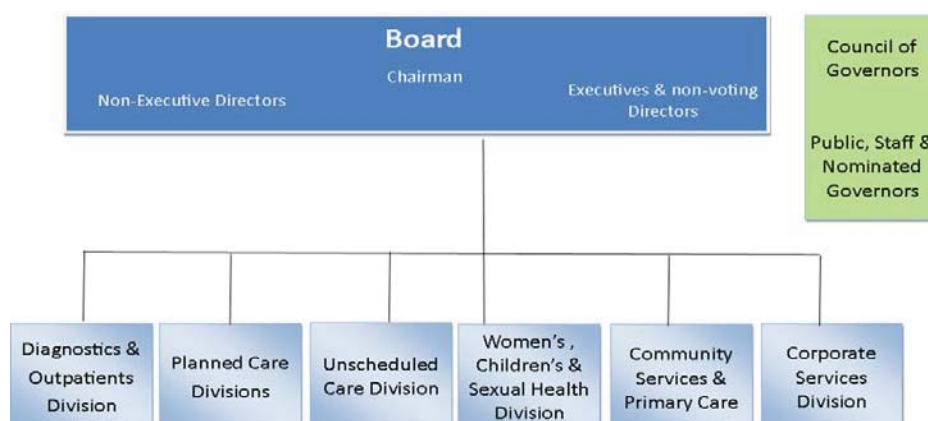
Most recently, in **November 2019**, the Trust took on the provision of services for two GP practices, Abbey Meads Medical Group and Moredon Medical Centre. These practices provide GP services from four locations across Swindon, including Moredon Medical Centre, Abbey Meads Medical Practice, Crossroads Surgery and Penhill Surgery, providing care to over 30,000 people.

Structure

Our Trust is managed by the Board of Directors, which is responsible for setting the vision and strategy for the Trust and ensuring their effective implementation. As a Foundation Trust we have a Council of Governors, which represents the interests of both public and staff members, and which holds the Board of Directors to account.

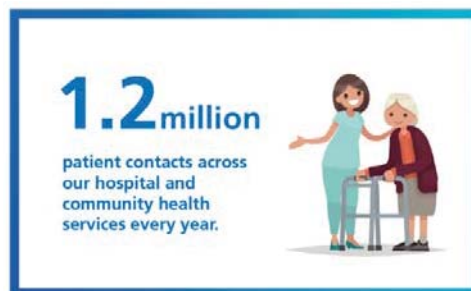
NHS Improvement and NHS England’s role as the sector regulator of health services in England is to protect and promote the interests of patients by promoting the provision of services which are effective, efficient and economical and which maintains or improves their quality. Further information on organisation structure can be found in section 2.

Organisational structure 2019/20

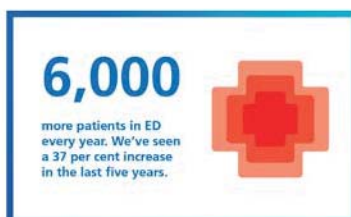


Who we are

We are one of the biggest healthcare providers and employers in the south west. We have:



What we do



The regulated activities that the Trust is currently registered to provide include: -

- Treatment of disease, disorder or injury;
- Assessment of medical treatment for persons detained under the Mental Health Act 1983;
- Surgical procedures;
- Diagnostic and screening procedures;
- Management of the supply of blood and blood derived products;
- Maternity and midwifery services;
- Termination of pregnancy;
- Family planning.

Information on all registered sites/locations and activities can be obtained by contacting the Trust or visiting the CQC website.

Location of services

Great Western Hospitals NHS Foundation Trust has its main headquarters at the Great Western Hospital (GWH) in Swindon. The Trust's geographical area covers Wiltshire, parts of Bath and North East Somerset, parts of Hampshire, Dorset, Oxfordshire, West Berkshire and Gloucestershire, covering a population of approximately 1,300,000 people.

Great Western Hospital

The Great Western Hospital (GWH) is a purpose built District General Hospital providing emergency care, elective (planned) surgery, diagnostics, paediatrics, maternity (both midwife and consultant), and outpatient and day case services.

The Brunel Treatment Centre

On the GWH site there is a purpose built centre for elective (planned) surgery called the Brunel Treatment Centre. The centre has enabled the Trust to separate emergency from elective (planned) surgery. The Centre includes the Shalbourne Suite, which is a private patient unit.

Within the Community

The Trust is a provider of Community health services across Swindon, these Services are provided by Community Nurses and Therapist, located at various GP practices, Health Centres and Patients homes. The Trust also manages the provision of services for two GP practices, Abbey Meads Medical Group and Moredon Medical Centre. These practices provide GP services from four locations across Swindon, including Moredon Medical Centre, Abbey Meads Medical Practice, Crossroads Surgery and Penhill Surgery, providing care to over 30,000 people.

Joint Venture

The Trust has a one third controlling interest in Wiltshire Health and Care LLP. The other equal partners are Salisbury NHS Foundation Trust and Royal United Hospitals NHS Foundation Trust. Wiltshire Health and Care is focused solely on delivering improved community services in Wiltshire and enabling people to live independent and fulfilling lives for as long as possible. To date Wiltshire Health and Care LLP has reported a break even position resulting in a net asset value of nil. Consequently, there is no share of any profits or assets to be reported in the Trust's accounts.

Risks and issues

The following Trust-wide risks remain key to the delivery of our organisational objectives:

- **Workforce supply.** National shortages of key staffing groups have and continue to impact on the Trust's ability to recruit to some groups, in particular - Nursing staff and certain specialists. Our staff are central to our strategy to provide quality services and care. We see an on-going focus on staff engagement and wellbeing as a priority to individual choice to stay and we continue to monitor levels of satisfaction and actively seek new ways to support our employees. As in 2019-20 we will also continue to invest in recruitment and retention including new roles, training, flexible working, and alternative sources of supply including overseas recruitment.
- **System sustainability.** The national picture of financial challenge for public services is well publicised. There is on-going growth in demand and expectations and strong inter-dependencies between systems, e.g. NHS and Social care. Our local catchment population is rising faster than the national average the financial sustainability of the local health and care system remains under significant strain and we are working together with our local integrated care system partners to identify solutions. The focus of work currently is around frail elderly pathways, mental health conditions, prevention and review of any unwarranted variation against local and national benchmarks.
- **Performance.** The Great Western Hospital lacks capacity both in "front door" and inpatient services. The Emergency Department (ED) was designed to support 48,000 attendances per annum and in 2019-20 there were 90,000 in ED with similar figures predicted for 2020-21. The impact of this shortfall in capacity at the front door impacts on patient experiences as well as contributing to challenges with meeting the 4 hour standard. With population growth in Swindon and the surrounding areas rising at a faster rate than the national average and a significant house building

programme underway, the top priority for the Trust is to right-size capacity for the next ten years, and work with partner agencies to ensure that patients can move on from the hospital to more appropriate care settings without delay.

Further detail with regard to our risk management approach is included in the Annual Governance Statement, later in this report.

Principle Opportunities for the Trust

We know that we will need to further change and adapt, finding innovative ways to save money, and investing our resources wisely to support sustainable improvements in the quality of care we provide for local people. We will look to develop more commercial opportunities to bring in new funding to invest in staff and services, which will contribute to the level of care we are able to provide.

An improved retail experience will be developed for patients, visitors and staff, which will generate income and free up space elsewhere in the hospital for clinical services. It will also make visiting the hospital a much more pleasant experience.

We will also look to use artificial intelligence to change many of our processes, reaping the benefits of using automation to free up staff time to deliver improved patient care.

This digital transformation will help us with removing many repetitive tasks, such as processing referrals, with a team of virtual workers saving the Trust time and money.

Having recently taken over the running of two GP practices in Swindon, we will now be able to truly integrate care – working towards providing seamless care for patients in primary, acute, and community settings. This is something only a few places in the country are doing, and we have now a real opportunity to positively shape healthcare for our local population.

Improvements in Services in 2019/20

In 2019/20 the Trust has placed significant emphasis on improving quality and services across the Trust these included:

Clinical Services

- A new Medical Day Unit in the Swindon Intermediate Care Centre care for patients with long-term conditions
- A new End of Life Rapid Response to manage the patient's transition from hospital to home, and their care needs at home, until they die
- A revolutionary heart monitor allowing patients to see their heart's activity and record symptoms via a smartphone app
- 'Reverse streaming' to ensure a more integrated and well-coordinated service for patients arriving at our Emergency Department or Urgent Care Centre
- Created a designated Neonatal Transitional Care Ward to help keep mothers and babies together
- Taking part in a collaborative cancer improvement programme, with Thames Valley Cancer Alliance, which focused on patients with bowel cancer
- Introducing electronic observations for suspected sepsis and acute kidney injury
- An upgraded system for electronic prescribing and medicines administration

Corporate Services

- The Trust continues to support the joint collaboration of the procurement and payroll function across Salisbury and GWH to maximise the value for money opportunities and to drive through a reduction in clinical variation.
- We continuously explore & implement estates & facilities cost improvement opportunities. Initiatives taken forward this year include improvements to clinical waste collection (circa £30K), 10,000 new LED lights have been installed and a new combined heat & power system will reduce our carbon emissions by 2,374 tonnes per annum.

Research and innovation 2019/20

During the 2019/20 financial year Research & Innovation worked on 70 clinical studies. There were 47 active Principal Investigators who recruited over 1,000 patients to 44 open trials. There were a further 1,000 patients being 'followed up' in studies now closed to recruitment.

In recent weeks, Research & Innovation has been helping to deliver a range of "rapid response" research to better understand and tackle COVID-19, including research into vaccines, treatments and diagnostic tests, and real-time collection of samples and data from people undergoing treatment at GWH.

Research & Innovation will replicate this strong performance next financial year, and continue to expand research at GWH for the benefit of all.

Operational Performance 2019/20

Measure	National Target	Local Target 2019/2020	Performance 2019/2020
ED 4 hours Q1	95%	91.2%	83.66%
ED 4 hours Q2	95%	90.5%	83.18%
ED 4 hours Q3	95%	90.0%	76.80%
ED 4 hours Q4	95%	90.0%	98%
Stroke	n/a	C	C
RTT Waiting List	WL at March 2020	21,558	19,967
RTT 52 Weeks	0	0	136
DM01 performance Q1	99%	99%	93.5%
DM01 performance Q2	99%	99%	93.4%
DM01 performance Q3	99%	99%	97%
DM01 performance Q4	99%	99%	95%
Cancer Performance (62 days) Q1	85%	85%	86.6%
Cancer Performance (62 days) Q2	85%	85%	84.7%
Cancer Performance (62 days) Q3	85%	85%	86.4%
Cancer Performance (62 days) Q4	85%	85%	83.7%
Cancer performance (2WW) Q1	93%	93%	95.1%
Cancer performance (2WW) Q2	93%	93%	94.4%
Cancer performance (2WW) Q3	93%	93%	89.2%
Cancer performance (2WW) Q4	93%	93%	92%

Delivering the 4 hour performance standard has remained challenging with a heightened increase in attendances. Capacity constraints in the department and flow into the hospital remain the greatest barriers. Performance in Q4 improved to 98% as a direct result in a drop in demand due to COVID 19.

The Emergency Department continue to maintain progressive changes to support flow including realigning walk in patients away from the main department to the Urgent Care Centre which has now been granted the designation of Urgent Treatment Centre. They have changed flow within the main department and introduced new working models, all with an aim of improving the patient experience and flow.

Stroke services have been on a positive journey to improve SSNAP performance reaching a C within the year and actively working towards and hitting a B rating in recent months.

The Trust succeeded in maintaining a reduced RTT volume. Several specialities have seen unbalance with increasing demand and reducing capacity and as a result has seen a higher than acceptable number of people wait beyond 52 weeks in the latter part of the year. While this is a priority for the Trust to address, COVID 19 has again impacted delivery.

DM01 performance has seen gradual improvements throughout the year with a few specialists diagnostic tests impacting performance due to them being so specialised and only deliverable by a reduced number of staff.

Cancer delivery has been maintained to a high standard for 62 days treatment. 2WW performance has dipped on a number of occasions due to a growing demand and restricted capacity. Cancer performance is micro managed to ensure we deliver the best possible for patients.

The Coronavirus Pandemic

In February 2020 the Trust had to respond to the Coronavirus Pandemic which became a number one priority. In just a few weeks, we transformed the way the Trust is normally run as we cancelled elective operations and outpatient appointments, with the exception of patients with cancer or those patients assessed as being clinically urgent, and restricted visitors. This enabled us to expand our capacity to care for the most critically ill patients, and we retrained staff to increase our ability to provide this care.

We looked at ways to deploy staff to areas across the Trust to support with the care of COVID-19 patients, and asked staff to work in a new or different department. We also had a good response from former staff prepared to come back to work to help at this time. We also had over 400 applications from members of the public to support with temporary work through Serco (our facilities management company) and the Bank and Volunteers.

We enhanced our IT capacity to enable staff to work remotely and for those staff that were not able to work from home and public transport reduced, plans were put in place so that staff could get to work.

We offered staff a wide range of support to ensure they are well looked after. 'Wellbeing Wednesdays' were launched, with care packages made up with drinks and snacks. A small shop to enable staff to buy a small range of essential supplies without having to visit large supermarkets was created. In addition we put in place other measures such as providing staff with accommodation where needed to enable them to continue to come to work, free parking, free Wi-Fi, a 24 hour staff support line, 24/7 mental health support along with a range of drop in sessions for staff to access whatever support they need.

At the time of writing we do not know what will happen next with coronavirus. But what we do know is we have learned a lot, as a Trust and as a system, about how we might be able to operate in a different way in the future. Rather than working in a post-coronavirus world, we anticipate having to learn to operate alongside COVID-19 for the foreseeable future, and we are confident we will meet this challenge and continue to deliver high quality care for the people of Swindon and surrounding areas. Further detail on governance arrangements can be found in section 2.7.

Brexit

The UK left the EU on January 31. Despite the official exit date, a long road is ahead for all parties to come to agreement on the official terms of the exit, due by 31 December 2020. During this 11-month period, the UK will continue to follow all EU rules, and its trading relationship will remain the same. It is also during this time that many agreements likely to affect the healthcare market will be negotiated.

Work is on-going in the Trust to plan and prepare for the potential impact of Brexit. We are following national guidance for the NHS on Brexit planning and a working group has met regularly in order to recognise and mitigate risks – it has representatives from clinical and non-clinical teams from across the Trust. We are working closely with partner organisations in health and social care both locally and nationally to prepare for Brexit. Our tried and tested business continuity procedures will minimise the risk of any disruption to patient care in a range of scenarios – and we are following these established practices to prepare for Brexit.

Position of the trust at the year end

The financial figures reported in the accounts represent the consolidated accounts of the Trust and the NHS Charity in accordance with DHSC Group Accounting Manual.

During the financial year 2019/20 the Trust was unable to achieve its control total. Following agreement by the Board and STP the Trust agreed a revised out turn position of £15.297m deficit including Marginal Relief Emergency Tariff (MRET), Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF).

The Trust was set a control total of £0m (breakeven including MRET, PSF and FRF). As the Trust was unable to achieve its control total it did not receive PSF and FRF of £6.7m.

The Trust ended the year with a £15.7m deficit including MRET and PSF, with an underlying deficit position of £20.7m. The underlying deficit position has moved adversely compared to the position in 2018/19 of £12.4m, this is principally reflective of increasing levels of demand, bed capacity and agency staffing costs, the latter linked to patient acuity and escalation.

The majority of costs incurred in relation to the Trust's response to Coronavirus (Covis-19) have been funded by NHS England.

During 2019/20 CIPs delivery of 88% was achieved, amounting to £8m savings/efficiencies. Of this £4.7m were recurrent and £3.3m non-recurrent. This is in addition to just under £32m achieved over the previous three years. This delivery is against a background of continued service pressures. The Trust continues to seek transformational change to manage financial challenges, whilst maintaining and improving quality.

In 2019/20 the Trust continued to experience pressure in ED with an increase of 5.1% in the first half year; flows after that point are not directly comparable as from October 2019 most Minors went to the Urgent Care Centre. NEL admissions staying overnight saw a small growth of 0.5% in the 11 months to Feb 2020, after which Covid-19 caused March to reduce by 13%. Elective day-cases grew by 7% while elective inpatients reduced by 8%. Outpatients grew by 0.7% up to February when COVID-19 saw March reduce by 12.5%.

Agency spend was £12.6m, which is an increase of £2.2m compared to 2018/19 (£10.4m) and £4.6m higher than NHS agency cap. Of this £0.9m related to Primary Care services that the Trust took over at the end of November 2019.

The Trust charity, Brighter Futures, ended the year with £3.4m in funds, of which £3.3m is classed as restricted and £0.1m is unrestricted. Income for the year was £0.5m compared with expenditure of £0.6m meaning the charity recognised a decrease in funds of surplus of £0.1m.

Going concern

The NHS Foundation Trust Annual Reporting Manual 2019/20 states that financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

It should be disclosed if there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

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. The affected loans totalling £62,015k are classified as current liabilities within these financial statements and result in Net Current Liabilities of £64,430k. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Foundation Trust.

The Foundation Trust submitted its draft plan to NHS I on 5 March 2020, following approval by the Board. The draft plan sets out a deficit position of £24,619k for the year ending 31 March 2021. Plans for 2020/21 were not formally agreed with DHSC due to the advent of Covid-19, and therefore central funding requirements to support the deficit were not confirmed. The plans we submitted were superseded by the financial arrangements for Covid-19, which include nationally devised contracts for the period to 31st October 2020. This national approach provides assurance of sufficient income to meet all operating costs in the period. Further, the Directors have a reasonable expectation that any shortfall in earned income over

expenditure for the remainder of the year will be met in the form of revenue support from DHSC. Whilst historically such support has been in the form of loans, following the announcement that all existing loans will be repaid using the issue of PDC, the Trusts expects future support to be via PDC if required. At balance sheet date the net current liabilities position was £64,430k and the total assets employed of £42,236k. Following conversion of the loans to PDC this position will be net current liabilities of £2,415k and total assets employed of £104,251k.

The cash balance as at 31st March 2020 was £9,140k. The Trust has re-assessed its financial forecast for 2020/21 taking into account a reversion to plan from November. This results in a deficit of £9,697k, and the Trust expects to receive cash support, if required, in the form of Financial Recovery Funding (FRF) or additional PDC to meet that deficit.

After making enquiries on budgeting, capital and cash requirements, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason the Trust continues to adopt the going concern basis in preparing its Annual Accounts.

Signed:

A handwritten signature in black ink, appearing to read 'K McNamara', is positioned above the printed name.

Kevin McNamara
Chief Executive
19 June 2020

2. ACCOUNTABILITY REPORT

2.1 Directors' Report

General Companies Act Disclosures

Directors of Great Western Hospitals NHS Foundation Trust

Directors of Great Western Hospital NHS Foundation Trust during 2019/20:-

Lizzie Abderrahim	<i>Non-Executive Director (from 1 May 2019)</i>
Dr Nicholas Bishop	<i>Non-Executive Director Senior Independent Director</i>
Liam Coleman	<i>Chair (from 1 February 2019)</i>
Andy Copestake	<i>Non-Executive Director</i>
Tracey Cotterill	<i>Interim Director of Finance (from 6 January 2020)</i>
Sheridan Flavin	<i>Director of Human Resources (to 30 June 2019) (interim non-voting Board Director)</i>
Charlotte Forsyth	<i>Medical Director (from 10 June 2019)</i>
Jude Gray	<i>Director of Human Resources (from 1 July 2019)</i>
Peter Hill	<i>Non-Executive Director Deputy Chairman</i>
Karen Johnson	<i>Director of Finance (to 6 January 2020)</i>
Paul Lewis	<i>Non-Executive Director</i>
Julie Marshman	<i>Chief Nurse</i>
Kevin McNamara	<i>Acting Chief Executive (from September 2019) and Chief Executive (from 27 March 2020) Director of Strategy & Community Services</i>
Jemima Milton	<i>Non-Executive Director</i>
Carole Nicholl	<i>Director of Governance & Assurance (& Company Secretary) (non-voting Board Director)</i>
Jim O'Connell	<i>Chief Operating Officer Deputy Chief Executive (from January 2020)</i>
Dr Guy Rooney	<i>Medical Director & Deputy Chief Executive (to 10 June 2019)</i>
Julie Soutter	<i>Non-Executive Director</i>
Nerissa Vaughan	<i>Chief Executive (to 1 September 2019)</i>

Board of Directors

The Board of Directors or Trust Board consisting of Executive, Non-Executive Directors and Non-Voting Directors has overall responsibility for the performance of the Trust. The Board determines strategy and agrees the overall allocation of resources and ensures that adequate systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery. The Board takes decisions consistent with the approved strategy. The Executive Directors are responsible for operational management of the Trust. Non-voting Board Directors do not have executive powers. Brief biographies for Board Directors in 2019/20 are set out below.

Biography of individual Directors

Lizzie Abderrahim, Non-Executive Director (from 1 May 2019)

A Gloucestershire resident, Lizzie qualified as a social worker, is a non-practising barrister and has a doctorate in linguistics.

She has board level experience as a Non-Executive Director in large complex organisations in the health, criminal justice and regulatory sectors where, alongside Board colleagues, she has led significant cultural change, overseen the management of major projects, and has worked with partners in the public, private and not-for-profit sectors.



She is a strong advocate for the NHS and, with her appointment to the Trust's Board, takes pride in joining an organisation that strives to improve health and well-being, that puts the patient at the heart of things, that maximises its resources ensuring that the whole community can benefit, and that strives to get the basics of quality of care right every time, and which responds with humanity and kindness affording respect and dignity to all. From May 2019 Lizzie's membership of Board Committees was as follows: -

- Member of the Quality & Governance Committee
- Member of the Performance, People and Place Committee
- Member of the Audit, Risk & Assurance Committee
- Member of the Mental Health Governance Committee
- Member of the Remuneration Committee
- Member of the Way Forward Committee

Dr Nicholas Bishop, Non-Executive Director **Senior Independent Director**

Nick was a general and interventional radiologist, and Board Medical Director in two acute hospitals. After being Assistant Medical Director for Commission for Health Improvement (CHI), he became senior medical advisor to the Healthcare Commission and the Care Quality Commission (CQC).



Nick became a Non-Executive Director on 1 August 2016. On 8 February 2019, Nick was appointed as the Senior Independent Director of the Trust. In 2019/20 Nick was re-appointed to the Board for a further 3 year term ending 31 July 2022. During 2019/20 his membership of Board Committees was as follows: -

- Chair of the Mental Health Governance Committee
- Chair of the Quality & Governance Committee
- Chair of the Remuneration Committee
- Member of the Performance, People and Place Committee
- Member of and the Audit, Risk & Assurance Committee
- Member of the Joint Nominations Committee
- Member of the Way Forward Committee.

Liam Coleman, Chair

Liam took over as Chair of the Trust on 1 February 2019.



He has significant previous experience in the NHS, having been one of our Non-Executive Directors from 2009 to 2016.

He was also previously the Chief Executive of the Co-Operative Bank plc and a senior executive at Nationwide Building Society, headquartered in Swindon.

He has a particular interest in the links between the Trust and the local community it serves, and he will be working to ensure that those links continue to strengthen.

In November 2019, Liam was appointed for a three-year term as a Non-Executive Director on the Board of the Financial Conduct Authority.

Tracey Cotterill, Interim Director of Finance (from 6 January 2020)



Tracey joined the trust in January 2020. She has held Board level roles in the NHS for 7 years and, prior to that, many senior finance roles in Acute, Community and Mental Health providers.

At Great Western Hospital, Tracey is responsible for the finance function and is committed to ensuring the Trust provides good value for money while maintaining high quality services.

She is focused on ensuring that the Trust has a sustainable financial position and will work closely with all divisions and system partners to achieve this.

Andy Copestake, Non-Executive Director



Andy joined the Board as a Non-Executive Director on 1 July 2016 having previously held a number of senior finance positions in the private, public and charity sectors.

From the late 1990s until May 2016, Andy was the Director of Finance at the National Trust in Swindon. Prior to that, he was the Finance Director at St Mary's NHS Trust in Paddington. Andy is a certified accountant.

In 2019/20 Andy was re-appointed to the Board for a further 3 year term ending 30 June 2022. During 2019/20 Andy's membership on Board Committees was as follows: -

- Chair of the Finance & Investment Committee
- Member of the Audit, Risk & Assurance Committee
- Member of the Performance, People & Place Committee
- Member of the Charitable Funds Committee
- Member of the Remuneration Committee
- Member of the Joint Nominations Committee
- Member of the Way Forward Committee

Charlotte Forsyth, Medical Director (from 10 June 2019)



Charlotte joined the Trust in 2003, became a consultant in 2011 and was appointed Medical Director in 2019.

She oversees the delivery of high quality care for patients in hospital and out in the community.

Charlotte will promote a strong quality improvement programme that will ensure all patients receive the best level of care.

She is also responsible for Information Governance as the Caldicott Guardian.

Charlotte continues to work in a clinical capacity.

Jude Gray, Director of Human Resources (from 1 July 2019)



Jude became the Trust's Director of Human Resources and Organisational Development in July 2019. Jude joined us from the Ministry of Justice where she was a Senior Civil Servant, working as Divisional HR Director in Her Majesty's Prison and Probation Service. Previously Jude worked in a number of Senior Management roles at the BBC. Jude has a breadth of Board experience delivering innovative HR Strategies and large scale transformation change.

Peter Hill, Non-Executive Director
Deputy Chairman



Peter became a Non-Executive Director on 1 April 2017 following a 38-year career in the NHS. Peter brings a wealth of NHS experience to the Board, having fulfilled numerous clinical and non-clinical roles over the years. Peter began his NHS career as a nurse, with a variety of posts in London, Essex, Newcastle and Wiltshire. Peter's management and leadership roles have extended from Charge Nurse to Chief Executive, with his most recent position being Chief Executive for Salisbury NHS Foundation Trust.

Peter was appointed Deputy Chairman of the Trust on 1 June 2018. During 2019/20 Peter's membership on Board Committees was as follows: -

- Chair of the Performance, People & Place Committee
- Member of the Finance & Investment Committee
- Member of the Quality & Governance Committee
- Member of the Remuneration Committee.
- Member of the Way Forward Committee

Paul Lewis, Non-Executive Director



Paul joined the Trust Board on 1 April 2018.

Paul was a Regional Director for Lloyds Bank, and has held a number of senior positions in the private sector, including Regional Director for the Halifax, Customer Services Director for Zurich Financial Services, Capita (Life & Pensions) and Eagle Star Life, Hambro Life and Allied Dunbar.

Paul has also been a Vice President for the Institute of Customer Service, and has a breadth of experience in leading transformational change programmes, customer experience improvement, staff/colleague engagement, cultural change and risk & regulatory compliance. During 2019/20 Paul's membership on Board Committees was as follows: -

- Member of the Performance, People & Place Committee
- Member of the Finance & Investment Committee
- Member of the Remuneration Committee
- Member of the Way Forward Committee

Julie Marshman, Chief Nurse



Julie is responsible for the clinical leadership for all nursing, midwifery, allied health professionals and healthcare science staff, and oversees quality governance and leads on the mental health and safeguarding agendas.

Julie is passionate about high quality care, excellent patient experience and staff well-being.

Julie has worked in a variety of nursing roles across acute and community in Swindon and Wiltshire, including Clinical Nurse Specialist, Matron, Divisional Director of Nursing and Deputy Chief Nurse.

Julie is the Trust's Director of Infection Prevention and Control (DIPC).

Kevin McNamara, Acting Chief Executive (from September 2019) and Chief Executive (from March 2020) Director of Strategy & Community Services



Kevin has worked for the Trust since 2009. In December 2013 Kevin was appointed as the interim Director of Strategy and thereafter on 10 April 2014 Kevin was appointed to the substantive position with responsibility for developing new services. In May 2017, Kevin became a voting Director known as the Director of Strategy and Community Services having successfully integrated Swindon Community Health Services as part of the Trust. He is the Board lead for developing and implementing a five-year plan for the Trust and for identifying new business opportunities through bids, tenders and fundraising. Kevin has a strong focus on ensuring the Trust is clear about its future plans and is keen to progress new build opportunities.

Kevin took on the role of Acting Chief Executive from September 2019 whilst the recruitment process for the substantive post was undertaken. Kevin was appointed Chief Executive on 27 March 2020.

Jemima Milton, Non-Executive Director



Jemima was involved in Local Government for many years, first as a Councillor in Swindon holding a number of cabinet positions and then as a Councillor in Wiltshire where she took a key interest in Health and Social Care. Jemima was an active partner in the family farm with her late husband and during this time ran a catering company and then a Bed and Breakfast business. Jemima joined the Board on 1 January 2014, having previously been a governor of the Trust. In 2019/20 Jemima was re-appointed to the Board for a further 1 year term ending 31 December 2020.

In 2019/20 Jemima's membership of Committees was as follows: -

- Chair of the Charitable Funds Committee
- Member of the Performance, People & place Committee
- Member of the Quality & Governance Committee
- Member of the Mental Health Governance Committee
- Member of the Remuneration Committee
- Member of the Way Forward Committee.

Carole Nicholl, Director of Governance & Assurance (& Company Secretary) – Non-Voting Board Director



Carole has over 35 years' experience as a governance professional in the public sector. Carole first joined the Trust in 2011 as Head of Corporate Governance & Company Secretary having previously worked in local government managing a wide range of governance portfolios including elections, democratic services, licensing and various corporate functions. Carole was appointed as Director of Governance & Assurance (and Company Secretary) in November 2016 and is responsible for the Trust's assurance framework, corporate risk, corporate governance, including the company secretarial function, compliance and regulation as well as legal services.

Carole's focus is to ensure that the Board receives assurance on all matters relating to Trust business and that there is an effective Council of Governors to represent the views of members and local people.

Carole originates from Worcestershire where she qualified as a Chartered Company Secretary / Governance Professional. Thereafter Carole studied in Oxford where she gained further qualifications including a Diploma in Management Studies.

Jim O'Connell – Chief Operating Officer and Deputy Chief Executive



Jim joined the Board on 12 October 2017. He has over 25 years' NHS experience with over 20 at executive level. Previous Chief Operating Officer posts have included University Hospitals Bristol NHS Foundation Trust, Salisbury Hospital NHS Foundation Trust and University Hospitals South Manchester NHS Foundation Trust.

Prior to working as Chief Operating Officer, Jim worked as a Workforce Director both at hospital and regional level and was National Programme Director for the implementation of the Electronic Staff Record (ESR) - the world's largest HR and payroll system. Jim's focus is on ensuring operational performance whilst maintaining high quality patient care and experience.

Jim became Deputy Chief Executive in January 2020.

Julie Soutter, Non-Executive Director



Julie is a finance and management professional, with qualifications in finance (FCA) and change management, including managing programmes and projects and process improvement. She has worked across the professional, charitable, private and public sectors, with roles in large accountancy practices, senior positions in the NHS and not for profit organisations. Her experience covers finance, operations, performance management, strategy and business planning, project management, governance and service improvement. Recent roles include Director of Finance and Operations at The Ernest Cook Trust and prior to that Interim Chief Operating and Finance Officer for the Energy Systems Catapult, a government and commercially funded technology and innovation centre based in Birmingham. Prior to that she was Director of Finance for the Chartered Institute of Housing, and Head of Operations at Innovate UK, which supports innovation in the commercial and academic sectors. Julie has held a number of non-executive roles in the NHS, public and charitable sectors. She has been a Non-Executive Director since 1 January 2015. Julie was Deputy Chairman from 1 July 2016 until 31 May 2018. During 2017/18 Julie was re-appointed for a further three year term ending 31 December 2020.

During 2019/20 Julie's membership of Board Committees was as follows: -

- Chair of Audit, Risk and Assurance Committee
- Member of Finance & Investment Committee
- Member of the Performance, People & Place Committee
- Member of the Remuneration Committee
- Member of the Way Forward Committee.

The following individuals were also directors of Great Western Hospitals NHS Foundation Trust in 2019/20:-

Nerissa Vaughan, Chief Executive (to 1 September 2019)

In 2019/20 Nerissa Vaughan was the Chief Executive until 1 September 2019.

Sheridan Flavin, Interim Director of Human Resources (non-voting) (to 30 June 2019)

Sheridan was the Director of HR until 30 June 2019 whilst a substantive Director of Human Resources was appointed.

Karen Johnson, Director of Finance (to 6 January 2020)

Karen was the Director of Finance. Karen left the Trust to join Gloucestershire Hospitals NHS FT.

Guy Rooney, Medical Director and Deputy Chief Executive (to 10 June 2019)

Guy was the Medical Director and Deputy Chief Executive until 10 June 2019. Guy stepped down from the role to join Oxford Academic Health Science Network, however continues as a Consultant of Sexual Health.

Length of appointments of Non-Executive Directors

Listed below are details of the length of appointments of those Non-Executive Directors who held office during 2019/20.

Non-Executive Directors are appointed by the Council of Governors. A Non-Executive Director or Chairman may be removed from office with approval of three-quarters of the members of the Council of Governors. The circumstances under which this might happen are included in the Trust's Constitution.

Name	First Term	Second Term	Third Term
Lizzie Abderrahim	01.05.19 – 30.04.22		
Liam Coleman (Chairman)	01.02.19 – 31.01.22		
Nick Bishop	01.08.16 – 31.07.19	01.08.19 – 31.07.22	
Andy Copestake	01.07.16 – 30.06.19	01.07.19 – 30.06.22	
Peter Hill	01.04.17 – 31.03.20		
Jemima Milton	01.01.14 – 31.12.16	01.01.17 – 31.12.19	01.01.20 – 31.12.20
Paul Lewis	01.04.18 – 31.03.21		
Julie Soutter	01.01.15 – 31.12.17	01.01.18 – 31.12.20	

Jemima Milton was re-appointed as a Non-Executive Director for a further 1 year term of office to December 2020. As Jemima had served two three-year terms, her re-appointment was for a further 12 months which was due to the significant changes at Board level and the Trust benefiting from stability until significant appointments, the Chief Executive and Director of Finance roles, had been made and settled in.

There were two other re-appointments as Non-Executive Directors in 2019/20, Nick Bishop and Andy Copestake who were both re-appointed for a further 3 years.

Also during 2019/20 Lizzie Abderrahim was appointed as a Non-Executive Director for a 3 year term.

As recommended by the Local Counter Fraud Service (LCFS), the names of all Trust Directors (Executive and Non-Executive) are cross-referenced with the Disqualified Directors Register on the Companies House website on an annual basis. No Trust Directors appeared on the Disqualified Directors Register (as at 29 March 2020).

Statement about the balance, completeness and appropriateness of the Board of Directors

The Non-Executive Directors are all considered to be independent of the Foundation Trust and the Trust Board believes it has the correct balance, completeness and appropriateness in its composition to meet the requirements of an NHS Foundation Trust. This is reviewed each time a Non-Executive director is appointed or re-appointed.

Our Board of directors operates according to the highest corporate governance standards. It is a unitary Board and has a wide range of skills and experience. In 2019/20 the balance and completeness of the Board has been considered on recruitment to the positions of Chief Executive, Director of HR, Medical Director and the Interim Director of Finance and also in the appointments and re-appointments of Non-Executive Directors. As outlined within the above biographies of Board members, the Executive Directors and Non-Executive Directors of the Board provide a balance and breadth of knowledge. The Board comprises individuals with senior level experience in the public and private sectors, across a range of disciplines including clinical and patient care, finance, strategic and operational planning, corporate and clinical governance, risk management, human resources and change management. The Board is satisfied that its current membership enables it to function effectively.

Statement setting out that the Board of Directors undertakes a formal and rigorous evaluation of its own performance and that of its collective and individual directors

The Board considered its effectiveness in terms of decision making, refreshing its reserved powers, the Scheme of Delegation and the Terms of Reference of the Board Committees. The Board Committee structure has been designed to ensure lines of assurance on all areas of Trust business via Board Committee

to the Board. In 2019/20 an additional sub Board Committee was created to oversee, scrutinise and review the development, implementation and delivery of the Way Forward Programme, the project that focuses on key programmes of work to create a hospital environment suitable for Swindon's growing and ageing population, now and well into the future.

For individual Non-Executive Directors, the Trust has in place a framework for their annual review. The evaluation of the Chair's performance is led by the Senior Independent Director with input from the Lead Governors and the Chief Executive on behalf of the Executive Directors and having regard to the views of the other Non-Executive Directors. The Chief Executive and Non-Executive Directors' performance is evaluated by the Chairman taking account of Governors' and other Directors' input. The Executive Directors' appraisals are led by the Chief Executive in April/May each year and are reported through the Remuneration Committee following a formal appraisal process.

In addition, the Board holds bi-monthly workshops to reflect on areas of Trust business and to consider more action planning and how individual matters link into the Trust's overall strategy.

Attendance at meetings of the Board of Directors during 2019/20

Listed below are the Board Directors and their attendance record at the meetings of the Trust Board held during the past year.

Record of attendance at each meeting
✓ = Attended
✗ = Did not attend

	4 April 2019	2 May 2019	6 June 2019	27 June 2019 Joint Council of Governors and Board	4 July 2019	2 August 2018	5 September 2019	3 October 2019	7 November 2019	5 December 2019	9 January 2020	6 February 2020	5 March 2020
Executive Directors													
Tracey Cotterill (from 6-Jan-20)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Charlotte Forsyth (from 10-June-19)	n/a	n/a	n/a	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Sheridan Flavin (to 31-Jul-19) (non-voting Director)	✓	✓	✓	✗	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jude Gray (from 1-July-19)	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓
Karen Johnson	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	n/a	n/a	n/a
Julie Marshman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin McNamara	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carole Nicholl (non-voting Director)	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Jim O'Connell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Guy Rooney (to 10-June-19)	✓	✗	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nerissa Vaughan (to 1-Sept-19)	✓	✓	✓	✗	✗	✗	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors													
Lizzie Abderrahim (from 1 May-2019)	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nick Bishop	✓	✓	✓	✗	✗	✓	✗	✓	✓	✓	✓	✓	✓
Liam Coleman (Chair)	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Andy Copestake	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Peter Hill	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Lewis	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓
Jemima Milton	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Julie Soutter	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓

Decisions reserved for the Board of Directors

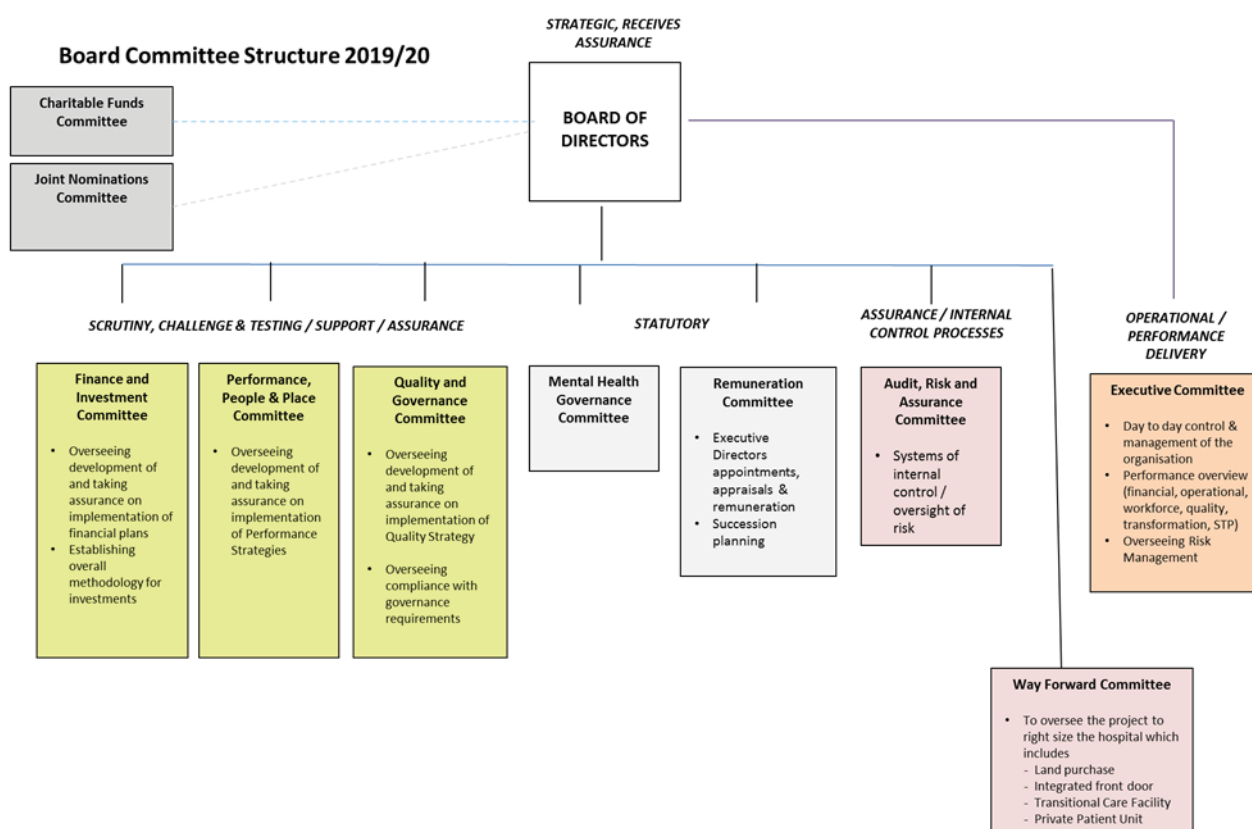
There are certain matters which are reserved for the Board of Directors to decide relating to regulation and control; appointments; strategic and business planning and policy determinations; direct operational decisions; financial and performance reporting arrangements; audit arrangements and investment policy. The Reservation of Powers to the Board was refreshed in March 2019 and will be refreshed again during 2020/21. A full copy can be obtained from the Company Secretary.

Significant commitments of the Chairman

There were no substantial changes to commitments during the year and the Chair, Liam Coleman was able to devote the appropriate time commitment to this role.

Committee structure

The structure of the Board committees during 2019/20 was as follows: -



Sitting below this top level structure are a number of working groups and other meetings. The Terms of Reference for the Board Committees are refreshed each year with the latest refresh in March 2019 and will be refreshed again during 2020/21.

Accounting policies for pensions and other retirement benefits

Accounting policies for pensions and other retirement benefits are set out in Notes 1.7 & 8 to the accounts and details of senior employees' remuneration can be found in the remuneration report (Section 2.2 refers).

Well Led

Trust Boards are responsible for all aspects of leadership in their organisations with a duty to conduct their affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that high quality, sustainable care is being provided. Boards operate in challenging environments characterised by the increasingly complex needs of an ageing population, growing emphasis on working with local system partners to create innovative solutions to long-standing sustainability problems, workforce shortages and the slowing growth in the NHS budget.

These challenges require changes in how leaders equip and encourage people at all levels in the NHS to deliver continuous improvement in local health and care systems and gain pride and joy from their work. Robust governance processes should give the leaders of organisations, those who work in them, and those who regulate them, confidence about their capability to maintain and continuously improve services.

In-depth, regular and externally facilitated developmental reviews of leadership and governance are good practice. Rather than assessing current performance, these reviews should identify the areas of leadership and governance of organisations that would benefit from further targeted development work to secure and sustain future performance.

NHS Improvement expects foundation trusts to carry out an external review of their governance arrangements every three years (licence conditions). In December 2019 the Trust commissioned PricewaterhouseCoopers (PwC) to undertake an independent review of the leadership and governance arrangements at the Trust. Initial feedback was presented to the Board highlighting the key themes in March 2020; with the final report available in April 2020. The focus for 2020/21 will be on ensuring that the recommendations from the review are implemented and embedded within the organisation.

The Trust seeks to assure itself that aspects of being well led are regularly considered and reviewed to ensure steps are taken to address any areas for improvement. The Trust has sought to understand exactly what is required under the eight key lines of enquiry (KLOEs) in the well led guidance, mapping the requirements into a framework. The purpose of the Well Led Framework is to put in place a mechanism whereby we routinely ask ourselves the detailed questions under the KLOE in a systematic and methodical way to gain confidence that we are well led in the way that our regulators would expect and on the basis of how we will be assessed.

In 2018/19, the Trust was assessed by the Care Quality Commission under NHS Improvements well led framework and was rated as "Good" overall for being well led. A further well led review was planned as part of a CQC inspection in March 2020, however this was postponed due to the Coronavirus Pandemic.

Interests held by Directors and Governors

Details of company directorships and other significant interests held by Directors or Governors which may conflict with their management responsibilities are registered. The Trust maintains a register of interests which is open to the public and can be obtained by writing to the Company Secretary at Great Western Hospitals NHS FT, Marlborough Road, Swindon, SN3 6BB, or email gwh.foundation.trust@nhs.net. The register of interests can also be viewed on the Trust website.

Each Director and Non-Executive Director is required to declare their interests on an on-going basis and to ensure that their registered interests are up to date. The Directors are reminded at the beginning of each Trust Board meeting that they must declare any interest which may conflict with the business of the Trust and excuse themselves from any discussion where such conflict may arise. The Trust is satisfied with the independence of the Board for the entire year.

Cost allocation and charging requirements

The Trust has complied with the cost allocation and charging requirement set out in HM Treasury and Office of Public Sector Information Guidance.

Political donations

There were no political donations during 2019/20.

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or valid invoice, whichever is the latter.

There has been an improvement in the Better Payment Practice Code measures over the year as we have improved processes for timely approval of invoices and focused on the procurement process being driven by purchase orders and supply chain. Cash has been tightly managed to ensure sufficient funds to pay creditors as they fell due and DHSC has provided revenue support to assist with the cashflow. The creditor position is carefully managed to ensure continuation of services, and a number of agreements are in place with key suppliers allowing for longer credit terms.

Better Payment Practice Code

	Year Ended 31 March 2020		Year Ended 31 March 2019	
	Number	£000	Number	£000
Total non-NHS paid in the year	62,334	215,366	60,617	210,017
Total non-NHS bills paid within target	29,846	164,003	15,990	129,762
Percentage of non-NHS bills paid within target	47.88%	76.15%	26.38%	61.79%
Total NHS bills paid in the year	1,852	14,597	1,482	11,219
Total NHS bills paid within target	667	3,988	341	1,573
Percentage of NHS bills paid within target	36.02%	27.32%	23.01%	14.02%

Working with suppliers

The Great Western Hospitals NHS Foundation Trust's procurement is managed by Salisbury NHS Foundation Trust offering a joint service based across both sites. The team are working with a large number of suppliers across a very diverse portfolio.

Procurement demonstrate compliance to EU and Public Procurement legislation as well the Trusts local SFI's when sourcing and working with suppliers to ensure a consistent and transparent process is followed and all suppliers are treated fairly.

The Trust uses Bravo e-procurement tool which enhances transparency of our contracting processes, and gives visibility of sourcing process and contracts. This also makes it easier for suppliers to engage with us and reduces the paperwork suppliers have to complete during formal tendering processes.

Our aim is to work in partnership with our suppliers and to build strong relationships that enable us to obtain best value for money when purchasing the quality of goods and services needed to support patient care.

Enhanced Quality Governance Reporting

Quality Governance is a combination of structures and processes at and below Board level to lead on Trust-wide quality performance including:

- ensuring required standards are achieved;
- investigating and taking action on sub-standard performance;
- planning and driving continuous improvement;
- identifying, sharing and ensuring delivery of best-practice; and
- identifying and managing risks to quality of care.

Arrangements are in place to ensure quality governance and quality is discussed in more detail within the Annual Governance Statement (Section 2.7 refers).

Quality Governance Framework

The Trust has had regard to NHS Improvement's Quality Governance Framework in arriving at its overall evaluation of its performance, internal control and Board Assurance Framework. The Trust seeks to ensure that the Trust strategy; capabilities and culture; processes and structure and measurements are mapped against the Quality Governance Framework. Quality Governance is discussed in more detail in the Annual Governance Statement (section 2.7 refers).

During 2019/20 the Trust had in place a number of plans and processes which contributed to ensuring Quality Governance. Examples of this include: -

- On-going development of the Trust's business strategy with particular emphasis on quality. In addition, sitting under the Trust Strategy, is a Quality Strategy. Key Performance Indicators are in place that focus on patient care, positive patient experiences and good clinical outcomes.
- An enhanced Quality Governance Framework has been implemented with a focus on bottom up Self-Assessments, Peer Assessments and Quality Reviews, which provide multiple layers of assurance.
- Divisional quality dashboards continue to be enhanced, to support departments and divisions in their monitoring and reporting of quality performance indicators.
- On-going refreshment of the Board to ensure that the Board has the necessary skills and qualities to manage the Trust and deliver the quality agenda. A clinical Non-Executive Director is appointed to the Board who chairs the Quality and Governance Committee and the Mental Health Governance Committee.
- Promotion of a quality focused culture throughout the Trust is evidenced by the role of staff values and communication and feedback mechanisms. Quality is considered in developing policies and procedures for the Trust with consideration given to the impact on clinical effectiveness, patient experience and the quality of care.
- There are clear processes for escalating quality performance issues to the Board. These are documented, within policies and procedures determining which issues should be escalated. These amongst other issues include escalation of serious untoward incidents and complaints. Robust improvement plans are put in place to address quality performance issues.
- A robust and effective Board Assurance Framework and Risk Management process, which provides a valuable tool for identifying risks, managing them, ensuring controls are in place and addressing any gaps in those controls. The Board Assurance Framework focuses on oversight of metrics to indicate mitigation of strategic risks including quality. Reporting through the Board Committees is now embedded.
- Patient experience is important to the Trust. Each month the Board considers a Quality Report which includes patient feedback in terms of numbers of comments and complaints, and a quarterly more detailed report on themes and learning. A programme for ensuring patient stories are shared at Board is in place.
- Quality information is analysed and challenged in a number of areas. The Board reviews a monthly Quality Report, which includes metrics and analysis of essential quality indicators, such as Infection Prevention and Control, Incident Reporting and Clinical Audit.

- During the course of the year, the internal auditor carried out audits of a number of areas associated with quality governance such Divisional Governance, Clinical Audits and Clinical Governance.

Arrangements for monitoring improvements in the quality of healthcare

Continuous monitoring of the Quality Accounts and improvement plan and national targets is reported monthly with underpinning indicators. The improvement indicators and national targets are reported through to our Commissioners and Trust Board via an Executive Committee. The Quality Account improvement indicators also inform a Patient Quality Committee each month.

Compliance Monitoring of the CQC regulations is undertaken through the Patient Quality Committee, Quality and Governance Committee and Executive Committee up to Trust Board. In addition the Trust has established a Key Lines of Enquiry Committee to oversee roll out of actions delivered by the core services and to gain assurance that continuous monitoring is in place to ensure improvements are sustained. Exceptions in compliance or risks to compliance are identified and included in the Trust's Risk Register.

In addition, the Trust has in place an Improvement Committee which oversees the roll out of milestone actions to drive improvement and also tests and challenges embeddedness of improvement.

Progress towards targets

Progress with national targets informs the Trust Safety and Performance dashboard which is shared and monitored by our Commissioners, as well as monitored through the Executive Committee and Trust Board. Monthly directorate performance meetings are held to monitor performance at directorate level.

New or significantly revised services

Details of principal activities are included in the Overview of Performance Report (section 1.1 refers).

In 2019/20 the Trust took over the provision of services of two GP practices in Swindon, Abbey Meads Medical Group and Moredon Medical Centre, providing care to over 30,000 people. This is a significant opportunity for the Trust to bring together GP, community and hospital services for a more well-coordinated and joined-up services for patients and their families.

Stakeholder Relations

Partnerships and alliances

The Trust has continued to place significant emphasis on building strong relationships with local providers and commissioners. Looking forward, we are actively working to build on the progress already established with partnerships and strengthen close working relationships with a network of organisations across Swindon which will assist in the development of an Integrated Care System. Work continues across our Sustainability and Transformation Partnership footprint (covering Bath and North East Somerset, Wiltshire and Swindon), to look at how best to work together as a system to deliver real service improvements to patients, efficiencies and savings. As part of the Acute Hospital Alliance, we continue to work closely with Salisbury NHS Foundation Trust and the Royal United Hospitals Bath NHS Foundation Trust. In particular, we have worked closely with these Trusts to ensure the best use of procurement resources, skills, and best value for money by aggregating spend to increase our purchasing power. In the 2020/21 financial year we look forward to working with the new merged Bath and North East Somerset, Swindon and Wiltshire Clinical Commissioning Group.

Work has continued with our partners at the Oxford University Hospitals NHS Foundation Trust (OUH) on plans to develop a local Radiotherapy Unit on the Great Western Hospital site. The Trust successfully reached its fundraising target of £2.9m at the end of 2018. Building work for the unit was scheduled to start at the end of the 2019/20 financial year, but was delayed due to the coronavirus outbreak. Further work with OUH continues to develop a Pathology Network along with Milton Keynes University Hospital NHS

Foundation Trust and Buckinghamshire Healthcare NHS Trust. This network approach will look to develop the service, identifying efficiencies from joint working and measures to enhance the service.

Development of services with others and working with our partners to strengthen the service we provide

Examples of how the Trust has developed services with others and worked with partners to strengthen the services we provide are included above.

Health and Overview Scrutiny Committees (HOSCs)

HOSCs (known as the Adult Social Care Select Committee in Wiltshire) are a statutory function of Local Authorities comprising elected representatives whose role it is to scrutinise decisions and changes that impact on health services in the area.

Local Healthwatch organisations

We continue to engage with the local Healthwatch organisations in the Trust's geographical area and in particular for Swindon and Wiltshire.

Public and patient involvement activities

Details of engagement events with the public and patients are included in the Disclosures set out in the NHS Foundation Trust Code of Governance Report (section 2.4 refers).

Additional disclosures

Statement as to disclosures to auditors

For each individual Director, so far as the Director is aware, there is no relevant information of which the Great Western Hospitals NHS Foundation Trust's auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Great Western Hospitals Foundation Trust's auditor is aware of that information.

Relevant audit information means information needed by the auditor in connection with preparing their report. In taking all steps the Directors have made such enquiries of their fellow Directors and of the Trust's auditors for that purpose and they have taken such other steps for that purpose as are required by their duty as a Director of the Trust to exercise reasonable care, skill and diligence.

Income disclosures

The income the Trust receives from the provision of goods and services for the purposes other than health care does not exceed the income it receives from the provision of goods and services for the provision of health.

Other income

Other income totalling £32m does not have a negative impact on provision of goods and services for the purposes of the health service in England.

Signed:



Kevin McNamara
Chief Executive
19 June 2020

2.2 Remuneration Report

Information not subject to audit

Including disclosures required by section 156 (1) of the Health and Social Care Act 2012, which amended paragraph 26 of Schedule 7 to the NHS Act 2006

Remuneration Committee

The Trust has a Remuneration Committee which has responsibility to put in place formal, rigorous and transparent procedures for the appointment of Executive and non-voting Board Directors and to develop, maintain and implement a remuneration policy that will enable the Trust to attract and retain the best candidates for Executive and non-voting Director Board positions. The Committee reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board and gives consideration to succession planning at senior level. The responsibility for carrying out these duties rests with the Remuneration Committee whilst the accountability for the actions of the Committee remains with the full Board. Executive and non-voting Board Directors are in senior positions that influence the decisions of the Trust as a whole.

Membership of the Remuneration Committee

The Remuneration Committee comprises the Chairman, Non-Executive Directors and the Chief Executive and is chaired by the Senior Independent Director. The Chief Executive does not take part in the consideration of Executive and non-voting Board Directors appointments or salaries which are agreed by Non-Executive Directors only.

There were 4 meetings of the Remuneration Committee during 2019/20. Membership and attendance is set out below: -

	Record of attendance at each meeting (✓ = attended × = did not attend n/a = was not a member)			
	4 April 2019	14 August 2019	23 December 2019	20 March 2020 (virtual)
Lizzie Abderrahim (from May-19)	✓	✓	✓	✓
Nicholas Bishop (Chair)	✓	✓	✓	✓
Liam Coleman	✓	✓	✓	✓
Andy Copestake	✓	✓	✓	✓
Peter Hill	✓	✓	✓	✓
Paul Lewis	✓	×	✓	✓
Jemima Milton	✓	✓	✓	✓
Julie Soutter	✓	✓	✓	✓
Nerissa Vaughan (to Sept-2019)	✓	×	n/a	n/a
Kevin McNamara (from Sept-2019)	n/a	✓ (part)	✓	×

Policy and guidance

In exercising its responsibilities, the Committee: -

- has regard for each individual's performance and contribution to the Trust and the performance of the Trust itself;
- takes into account benchmark information relating to remuneration of Executive Directors; and
- seeks professional advice from the Director of Human Resources

Remuneration of senior managers (Executive and Non-Voting Board Directors) -

The Trust does not have a variable pay scheme for Executive Directors. Instead each is paid a basic salary.

In 2019/20 the Remuneration Committee undertook its annual review of remuneration of Executive and non-voting Board Directors. The Remuneration Committee wishes to ensure that Directors' remuneration reflects current market levels, thus enabling the Trust to continue to recruit and retain high calibre Directors. Benchmarking information relating to other Trusts was considered and basic pay was reviewed in line with benchmarking rates. No changes to the remuneration of Executive and Non-Voting Board Directors were made with the exception of one Director whose salary was increased to reflect market rates and one Director who received acting up allowance. The cost of living award was only published in January 2020 and the decision regarding application of this guidance will take place in April.

The following steps were taken to ensure that the Committee satisfied itself that it was reasonable to pay one or more senior managers more than £150,000: -

- Comparison made of salaries of similar roles in similar organisations
- Consideration of vacancies across the NHS for similar roles
- Consideration of the likelihood of recruiting and retaining individuals in the current market

The Committee was satisfied that the salaries were reasonable for these roles in this organisation.

Pension - The pension and other benefits for Executive and Non-Voting Board Directors is payable according to the NHS Pension Scheme and the Trust's Expenses Policy.

Claw back - Provisions for the recovery of sums paid to Directors, i.e. claw back provisions, are included in Executive and Non-Voting Board Directors contracts.

Earn back – Provision has been introduced to VSM contracts whereby 10% of the salary will be placed at risk, pending an annual review of individual performance against objectives.

Policy - The difference between the Trust's policy on senior manager's remuneration and its general policy on employee's remuneration is that the Executive and Non-Voting Board Directors are on spot salaries whereas the rest of the organisation is on a pay scale with annual increments.

In considering Executive and Non-Voting Board Directors pay, relativities of senior manager pay were also taken into account. There was no consultation with employees when preparing the Executive and Non-Voting Board Directors remuneration policy.

Service contract obligations

There are no service contract obligations.

Performance of senior managers

The appraisal process for the Chief Executive and Executive and Non-Voting Board Directors involves an annual review of the objectives set and performance against those objectives. These are agreed by the Chairman and Chief Executive respectively and reported through the Remuneration Committee. The

Committee receives a summary report from the Chief Executive into the performance of each Executive and Non-Voting Board Director.

Board of Directors' employment / engagement terms

Executive and non-voting Board Directors, but not the Chief Executive, are appointed by the Remuneration Committee. The Chief Executive and the Non-Executive Directors are nominated for appointment by a Joint Nominations Committee consisting of Governors and Non-Executive Directors. The Council of Governors approves the Chief Executive and Non-Executive Director appointments.

The Chief Executive and Executive and non-voting Board Directors have a contract with no time limit (with the exception of the Medical Director position which is for a fixed term of three years with an option to extend) and the contract can be terminated by either party with six months' notice as per NHS Employers standard Director contract. These contracts are subject to usual employment legislation. Executive Director contracts include claw back clauses for any variable payment and fit and proper person disqualification provisions.

The Trust's Constitution sets out the circumstances under which any Board Director may be disqualified from office. The policy for loss of office payment is that the Trust would normally pay not more than contractual notice period. Any exceptions would be considered at the Remuneration Committee on a case by case basis.

The Non-Executive Directors, which includes the Chairman, are appointed for terms of office not exceeding three years, with the option of re-appointment for a further 3 year period. They do not have contracts of employment, but letters of appointment with terms agreed by the Council of Governors. The Council of Governors may remove Non-Executive Directors at a general meeting with the approval of three quarters of the members present of the Council of Governors.

Senior managers with additional duties

Set out below is a table disclosing the single total figure of remuneration for each person occupying a director post. This includes all remuneration paid by the Trust to the individual in respect of their service for the Trust, including remuneration for duties that are not part of their management role.

Note that the element of remuneration from the Trust which relates to any clinical role is included. Where any individual received part of their remuneration from another body, the Trust's share of the individual's remuneration is listed only.

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid an annual allowance, together with responsibility allowances for specific roles as set out in the table below: -

	2019/20
Chairman	£43,465
Non-Executive Director (basic which all receive except chairman)	£13,000
Deputy Chairman	£1,000
Senior Independent Director	£1,000
Audit, Risk & Assurance Committee Chair	£3,000
Performance, People and Place Committee Chair	£1,000
Quality & Governance Committee Chair	£1,000
Finance & Investment Committee Chair	£1,000
Mileage	In accordance with Trust scheme
Expenses	All reasonable and documented expenses in accordance with Trust's policy.

Note that a Nominations and Remuneration Working Group consisting of Governors makes recommendations on allowances to the Council of Governors which sets the allowances for the Non-Executive Directors. In 2019/20 there were additional allowances for the Chairs of the 3 additional committees. This was due to the current complexities and challenges of the Trust, particularly around the financial position and moving further into an integrated healthcare system by recently acquiring two GP practices. These were in recognition of the role and not as individuals and would be reviewed at the end of the appointed period. Once these terms of appointments expired the Trust would transition to a remuneration framework for local discretionary allowances in line with guidance published by NHS England/Improvement in 2019 which outlined a new remuneration structure for provider Chairs and Non-Executive Directors. There was no uplift to any of the other allowances.

Annual Statement from the Chairman of the Remuneration Committee summarising the financial year

During the year the Committee reviewed the Chief Executive, Executive and non-voting Board Directors performance against objectives for 2018/19 and objectives for 2019/20.

The Committee considered the Chief Executive, Executive and non-voting Board Directors remuneration and agreed the uplift of one Director's salary so that it was in line with benchmark rates.

The Committee considered the Executive and non-voting Board Director composition of the Board and agreed plans around recruitment to the vacant post of the Chief Executive following the resignation of the Chief Executive. The Committee also agreed the acting up arrangements to the vacant position.

The Committee recommended the appointment of Kevin McNamara as the Chief Executive to the Council of Governors in March 2020.

The Committee appointed Charlotte Forsyth as the Medical Director in June 2019 who took up the post from Guy Rooney who retired in June 2019.

The Committee appointed Jude Gray, Director of Human Resources, in July 2019.

The Committee also agreed the interim appointment of Tracey Cotterill as Finance Director in January 2020.

This report contains a summary of the work of the Remuneration Committee during 2019/20.

Disclosures required by Health and Social Care Act

Information subject to audit

The information subject to audit, which includes Governors' expenses, Senior Manager's salaries, compensations, non-cash benefits, pension, compensations and retention of earnings for Non-Executive Directors, is set out in the tables below.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Pension Benefits and Remuneration

Pensions Benefits 2019-20

Name	Title	Real Increase in Pension at Pension Age (Bands of £2,500)	Real Increase in Pension Lump Sum at Pension Age (Bands of £2,500)	Total Accrued Pension Age at 31 March 2020 (Bands of £5,000)	Lump Sum at Pension Age related to Accrued Pension at 31 March 2020 (Bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2019	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employer's Contribution to Stakeholder Pension
		£000	£000	£000	£000	£000	£000	£000	£000
Sheridan Flavin	Director of Human Resources	2.5-5	0	10-15	0	146	39	185	
Charlotte Forsyth	Medical Director	10-12.5	25-27.5	30-35	70-75	581	4	585	
Jude Gray	Director of Human Resources	0-2.5	0	0-5	0	0	22	22	
Karen Johnson	Director of Finance	2.5-5	0	20-25	0	252	35	287	
Julie Marshman	Chief Nurse	2.5-5	7.5-10	35-40	115-120	799	92	891	
Kevin McNamara	Director of Strategy/Acting Chief Executive/Chief Executive	2.5-5	4.5-4.75	20-25	35-40	255	55	310	
Carole Nicholl	Director of Governance & Assurance	0	0	60-65	0	959	1	960	
Nerissa Vaughan	Chief Executive	0	42.5-45	45-50	195-200	1,224	(1,015)	209	

Note : The reduction in pension value from prior year relates to where individuals have taken their pension in year. As the NHS has 2 pension schemes, where only one is taken the other pension scheme benefits are preserved and the value included in this table.

Pensions Benefits 2018-19

Name (alphabetical order)	Title	(a) Real Increase in Pension 2018-19 (Bands of £2500)	(b) Real Increase in Lump Sum 2018-19 (Bands of £2500)	(c) Total accrued pension at 31st March 2019 (Bands of £5000)	(d) Lump sum at pension age related to accrues pension at 31st March 2019 (Bands of £5000)	(e) Cash Equivalent Transfer Value at 1 April 2018	(f) Real increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2019	(h) Employers Contribution to Stakeholder Pension
		£000	£000	£000	£000	£000	£000	£000	£000
Oonagh Fitzgerald	Director of Human Resources	0-2.5	0	25-30	60-65	411	72	483	
Sheridan Flavin	Interim Director of Human Resources	0-2.5	0	10-15	0	107	35	142	
Sally Fox	Interim Director of Human Resources	2.5-5	7.5-10	25-30	75-80	459	124	583	
Karen Johnson	Director of Finance	2.5-5	0	20-25	0	187	59	246	
Julie Marshman	Chief Nurse	7.5-10	22.5-25	35-40	105-110	547	233	780	
Kevin McNamara	Director of Strategy & Community Services	0-2.5	0	15-20	30-35	194	56	250	
Carole Nicholl	Director of Governance & Assurance (non-voting)	7.5-10	0	60-65	0	704	233	937	
Jim O'Connell	Chief Operating Officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Guy Rooney	Medical Director & Deputy Chief Executive	0	0	60-65	180-185	1,276	100	1,376	
Nerissa Vaughan	Chief Executive	2.5-5	0-2.5	60-65	145-150	1016	179	1,195	
Hilary Walker	Chief Nurse	0	0	45-50	135-140	932	0	0	

Note - Accrued Pension and Lump Sum relate to benefits accrued to date and are not a projection of future benefits. They will include any additional pension benefits that have been purchased to date.

Note - Membership of the Board during 2018-19 is referred to elsewhere in the Directors Report (section 3.1 refers).

Note - CETV values are not applicable over age 60.

Remuneration 2019-20

2019-20									
Name	Title	Salary & Fees (Bands of £5,000)	All Taxable Benefits	Annual Performance Related Bonuses (Bands of £5,000)	Long Term Performance Related Bonuses (Bands of £5,000)	Other Remuneration (Bands of £5,000)	Pension Related Benefits (Bands of £2,500)	Total	
Lizzie Abderrahim	Non-Executive Director	10-15	-	-	-	-	-	10-15	
Nick Bishop	Non-Executive Director	15-20	-	-	-	-	-	15-20	
Liam Coleman	Chairman	40-45	-	-	-	-	-	40-45	
Andy Copestake	Non-Executive Director	10-15	-	-	-	-	-	10-15	
Peter Hill	Non-Executive Director	15-20	-	-	-	-	-	15-20	
Paul Lewis	Non-Executive Director	10-15	-	-	-	-	-	10-15	
Jemima Milton	Non-Executive Director	10-15	-	-	-	-	-	10-15	
Julie Soutter	Non-Executive Director	15-20	-	-	-	-	-	15-20	
Tracey Cotterill	Interim Director of Finance**	35-40	-	-	-	-	0	35-40	
Sheridan Flavin	Director of Human Resources**	65-70	-	-	-	-	52.5-55	120-125	
Charlotte Forsyth	Medical Director	95-100	-	-	-	20-25	240-242.5	360-365	
Jude Gray	Director of Human Resources**	85-90	-	-	-	-	20-22.5	105-110	
Karen Johnson	Director of Finance**	100-105	-	-	-	-	37.5-40	135-140	
Julie Marshman	Chief Nurse	110-115	-	-	-	-	57.5-60	170-175	
Kevin McNamara	Director of Strategy**	110-115	-	-	-	-	67.5-70	180-185	
Kevin McNamara	Acting Chief Executive**	20-25	-	-	-	-	0	20-25	
Kevin McNamara	Chief Executive**	0-5	-	-	-	-	0	0-5	
Carole Nicholl	Director of Governance & Assurance**	75-80	-	-	-	-	0	75-80	
Jim O'Connell	Chief Operating Officer	140-145	-	-	-	-	0	140-145	
Guy Rooney	Medical Director**	15-20	-	-	-	0-5	0	20-25	
Nerissa Vaughan	Chief Executive**	170-175	-	-	-	-	0	170-175	

Note* - In respect of Guy Rooney and Charlotte Forsyth, other remuneration relates to clinical roles

Note ** - Remuneration and expenses are part year

Remuneration 2018-19

2018-19								
Name	Title	Salary & Fees (Bands of £5000)	All Taxable Benefits £100	Annual Performance Related Bonuses (Bands of £5,000)	Long Term Performance Related Bonuses (Bands of £5,000)	Other Remuneration (Bands of £5000)	Pension-Related Benefits (Bands of £2,500)	Total
Nick Bishop	Non-Executive Director	10-15	-	-	-	-	-	10-15
Liam Coleman	Chairman	5-10						5-10
Andy Copestake**	Non-Executive Director	10-15	-	-	-	-	-	10-15
Peter Hill	Non-Executive Director	10-15	-	-	-	-	-	10-15
Roger Hill**	Chairman	35-40	-	-	-	-	-	35-40
Paul Lewis	Non-Executive Director	10-15	-	-	-	-	-	10-15
Jemima Milton	Non-Executive Director	10-15	-	-	-	-	-	10-15
Steve Nowell**	Non-Executive Director	10-15	-	-	-	-	-	10-15
Julie Soutter	Non-Executive Director	15-20	-	-	-	-	-	15-20
Oonagh Fitzgerald**	Director of Human Resources	85-90	-	-	-	-	0	85-90
Sheridan Flavin**	Interim Director of Human Resources	115-120	-	-	-	-	20-22.5	135-140
Sally Fox**	Interim Director of Human Resources	80-85	-	-	-	-	67.5-70	150-155
Karen Johnson	Director of Finance	130-135	-	-	-	-	32.5-35	165-170
Julie Marshman**	Chief Nurse	105-110	-	-	-	-	167.5-170	270-275
Kevin McNamara	Director of Strategy & Community Services	115-120	-	-	-	-	25-27.5	145 - 150
Carole Nicholl	Director of Governance & Assurance (non-voting)	100-105	-	-	-	-	177.5-180	280-285
Jim O'Connell	Chief Operating Officer	140-145	-	-	-	-	0	140-145
Guy Rooney**	Medical Director & Deputy Chief Executive	125-130	-	-	-	-	0	125-130
Nerissa Vaughan	Chief Executive	175-180	-	-	-	-	55-57.5	230-235
Hilary Walker**	Chief Nurse	15-20	-	-	-	-	0	15-20

Note* – In respect of Guy Rooney, other remuneration relates to his clinical role.

Note** –Remuneration and expenses are part year

Expenses of Directors and Governors

Expenses 2018/19 – 2019/20

Expense Disclosure	Total number in Office 2018/19	Total number in Office 2019/20	Total Receiving Expenses 2018/19	Total Receiving Expenses 2019/20	Aggregate sum of expenses paid 2018/19 (£00)	Aggregate sum of expenses paid 2019/20 (£00)
Directors	20	13	15	6	9	16
Governors	24	8	3	8	0	8

Notes to Pension, Remuneration and Expenses Tables

- Non-Executive Directors do not receive pensionable remuneration.
- There are no Executive Directors who serve elsewhere as Non-Executive Directors and, therefore, there is no statement on retention of associated earnings.
- Salary includes employer NI and pension contributions. The above figures do not include any final bonus/performance related pay increase which is subject to agreement by Remuneration Committee.
- The accounting policies for pensions and other retirement benefits and key management compensation are set out in the Note 8 to the accounts.
- The Remuneration Committee considered that the level of remuneration paid to Executive Directors needed to be sufficient to attract and retain Directors of the calibre and value required to run a foundation trust successfully. The Committee had previously decided to increase the remuneration of Executive Directors so that there were in line with current market levels.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at any one time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangements when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures show the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of the scheme at their own cost. CETV's are calculated within the guidelines and frameworks prescribed by the Institute and Faculty of Actuaries. The CETV is based on actual contributions to 31 March 2020.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses the common market valuation factors from the start and end of the period.

Additional disclosures

Fair Pay Multiple

All NHS Foundation Trusts 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 median total remuneration above is the total remuneration of the staff member lying in the middle of the linear distribution of staff employed in the Trust, excluding the highest paid Director. This is based on an annualised full time total staff equivalent remuneration as at the reporting period date. There are no Executive Directors who have been released, for example to serve as Non-Executive Directors elsewhere and, therefore, there are no remuneration disclosures on whether or not the Director will retain such earnings.

Executive Name and Title	Total Remuneration (middle of band)	
	2019/20	2018/19
Kevin McNamara, Chief Executive	£172,500	
Nerissa Vaughan, Chief Executive		£177,500

The above remuneration is on an annualised basis (adjusted to middle of band), and shows the Director in Post at 31st March 2020. This includes salary, performance related pay, severance payments and benefits in kind where applicable, but excludes employer pension contributions.

Multiple Statement	2019/20 (middle of band)	2018/19 (middle of band)	% change
Highest paid Directors' total remuneration	£172,500	£177,500	-2.8%
Median total remuneration	£30,097	£28,050	9.49%
Ratio	5.73	6.33	-9.43%

The total staff median has increased significantly in year (9.49%) as a result of the increase in overall agency use linked to taking on primary care services as well as increased overall escalation within the hospital. In contrast the non-agency median has decreased slightly in the year (0.8%), a reflection of the implementation of the three year pay deal and changes to the pay structure in 18/19 which has resulted in clearer staff bandings and more staff starting or moving to new roles at the bottom of pay bands.

Payments for Loss of Office

There were no payments made for loss of office during 2019-20.

Payments to past senior managers

There were no payments made to past senior managers during 2019-20.

Signed



Kevin McNamara
Chief Executive
19 June 2020

2.3 Staff Report

Staff Numbers

We are committed to our organisation being both a place that people want to work and one that they would recommend to their family and friends. Our People Strategy 2019-2024, sets out our journey of cultural change, ensuring that compassion, care and continuous improvement are at the heart of our organisation, both for patients and our staff.

Every single person who works in our organisation plays an invaluable role in providing the high quality care and excellent service we strive for and we are committed to supporting our staff to achieve this through the Trust People Strategy.

As a Trust we are committed to developing our staff and strive to ensure that all our employees reach their full potential at work, are happy and motivated to do their job and contribute to our success as an organisation. We also continue to work towards improving how we recognise the hard work, loyalty, commitment and successes of our workforce and have raised the profile of achievement through monthly and annual award schemes and by putting staff forward for national awards.

An analysis of average staff numbers across the Trust for 2019/20 is outlined in the table below:

Employee Group (WTE)	2019/20	2018/19
Medical and Dental	582	555
Ambulance staff	17	20
Administration and estates	515	510
Healthcare assistants and other support staff	1,338	1,277
Nursing, midwifery and health visiting staff	1,329	1,233
Scientific, therapeutic and technical staff	448	431
Substantive Total	4,238	4,033
Agency and contract staff	113	121
Bank staff	270	247
Other	0	0
Total average Numbers	4,621	4,401

Staff Costs

Staff costs are included in Note 7 to the accounts.

Workforce Profile

Table 2 - Breakdown of the Trust workforce profile as at 31st March 2020:

	Female	Male	Total
Directors (senior managers)	4 Executive Directors, 1 Non-Voting Board Director & 3 Non-Executive Directors	2 Executive Director, & 5 Non-Executive Directors	15
Bank & Substantive Staff	1,619	125	1,744
Substantive Staff Only	2,643	733	3,391
Bank Staff only	622	125	747
TOTAL	4,892	990	5,882

The Trust has agreed key workforce policies with the recognised trade unions on behalf of our employees in line with our People Strategy, 2019 - 2024. These policies include recruitment and selection, conduct, capability, grievance, sickness absence and health and safety. The policies are reviewed regularly for effectiveness and outcomes are reported bi-annually through the Executive Committee and People, Performance and Place Committee. The HR team provides a Divisionally aligned service providing advice and guidance to all key stakeholders with policy implementation and to support achievement of business plan objectives.

Providing advice and guidance with the management of sickness absence is a core requirement of the HR service to managers in order that productivity and performance is maintained and the health and wellbeing of the workforce is understood and supported.

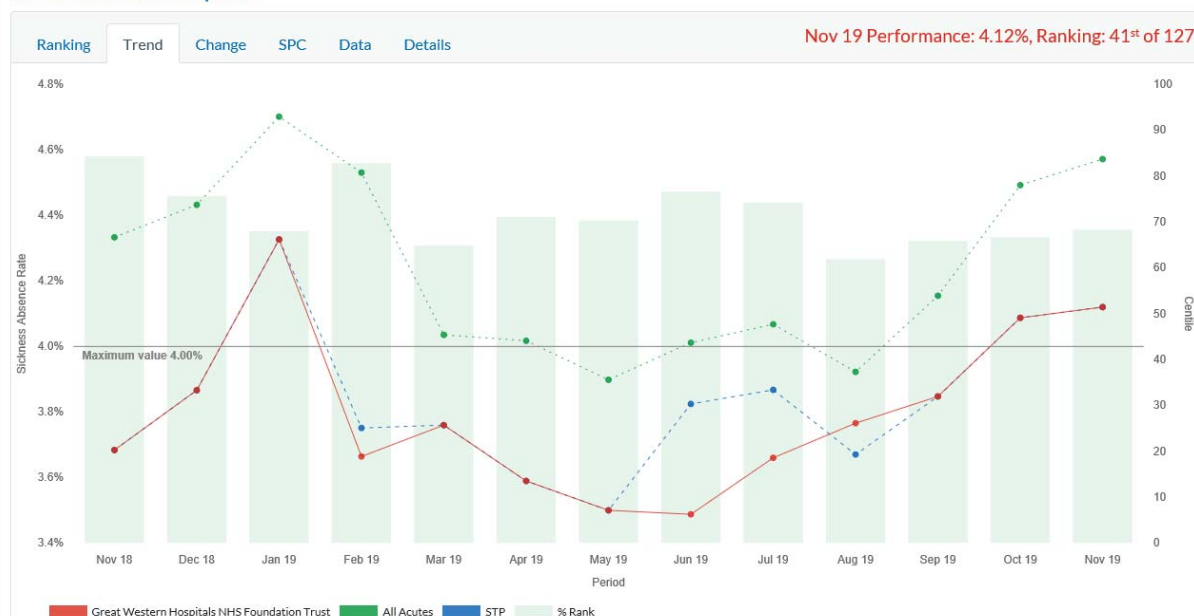
Table 3 - Sickness Absence

Staff Sickness Absence	2019/20 (Apr19-Feb20)	2018/19	2017/18
Total days lost	55,987	54,110	66,431
Average working days lost per whole time equivalent	9.02 days	8.38 days	8.96 days

Benchmarking

Table 4 – presents the most recent bench-marking data available to the Trust as at November 2019. Trust sickness absence is below the average of all Acute Trusts and in line with the STP (Data source Public Health View).

Great Western Hospitals



Over the last 12 months, the Trust HR department has introduced a more holistic approach to supporting the management of staff attendance at work through the following service:

- Advice and guidance to management and staff to ensure reasonable application of Trust policy and fair outcomes. In persistent short term sickness or longer term episodes the Trust implements a supportive but structured process to improve employee's attendance or consider adjustments to support a return to work;
- Sickness audits and training to ensure continuous improvement through consistent management approach, reasonable adjustment and consideration of supportive measures to improve attendance;
- Training - In departments where sickness levels are higher than the 3.5% target, the HR team provide training and support with the development of departmental action plans and which are informed by other performance indicators such as staff survey feedback, internal culture and appraisal outcomes;
- Developing a programme of health and well-being interventions to support staff with personal and work related health and well-being. The **Health and Well Being Programme** includes the offer of a health assessment for every individual with a full assessment of their blood pressure, weight, BMI, an opportunity to talk confidentially about how they are feeling and advice for improving or maintaining a healthy lifestyle.

Staffing related issues during the year

International recruitment

The national shortage for nurses continues to have an impact on the Trust and the nurse vacancy position remains a key focus. In 2019/20 the Trust recruited 75 Non-EU international nurses of which 51 are working as registered nurses and 24 are working as band 4 pre-registered nurses whilst undertaking their Objective Structured Clinical Examination ¹(OSCE) training.

International candidates are provided with a bespoke induction and on boarding programme to ensure they feel welcomed from the beginning. This includes connecting with members of the recruitment team and ward managers before arriving in the UK, being introduced to cohorts who have already arrived and started in the UK and tours of the Hospital and Swindon.

International Candidate Feedback

- “We are so grateful for your care, kindness and support towards us’
- “For me it's been a great experience”
- “I will say I made the right choice by choosing GWH as my choice of trust. I have received immense support from the unit I was posted to Daisy unit. My manager has been very supportive and the staff as well. I am settled in well and discharging my duties as expected though still under supervision.”
- “Your team and the Academy staff has made the settling in much more easier for me. I want to say a big thank you to you all.”

Agency spend

Trust agency spend for 2019/20 was £12.2M (£10.4M in 2018/19), this was against a budget of £8.9M (£3.2M overspent against plan). The increase in agency throughout year has been impacted by:

- Increased requirement for patient close support (includes mental health support);
- Escalation to support sickness cover such as the winter outbreak of norovirus;
- Cover for hard to fill vacancies.

The Trust continues to address agency spend through introduction of:

- Improved controls for agency approval
- Improved monitoring of agency spend
- Reduced turnover
- Improved control via E- Rostering
- Reduction in Admin and Clerical usage
- Moving Medical Agency to bank and substantive role

The Trust Agency reduction plan for 2020/21 is £2.6M based on the Trust proposed operational plan budgets.

Agenda for Change National Pay Rise

1st April 2019 marked the start of the second year of the 3-year deal agreed by the NHS Staff Council in 2018, covering staff employed on the NHS Terms and Conditions of Service. Further pay points have been deleted as part of the move to increase starting salaries and reduce the length of time it takes to reach the top of most pay bands.

¹ Objective Structured Clinical Examination (OSCE) is an assessment method based on a student's performance that measure their clinical competence

From 1st April 2019, the minimum basic pay rate in the pay structure increased to £17,652. This figure excludes the apprenticeship programme which falls outside of Agenda for Change terms and conditions. This meant that the lowest paid staff saw their hourly rate rise to £9.03 which was higher than the Living Wage Foundation rate for 2019.

During 2020 additional pay points will be deleted as a further step towards the move to increase starting salaries and reduce the length of time it takes to reach the top of most pay bands.

Pay progression

Existing Staff

Existing staff, for the purposes of pay progression, are those staff who were in post before the 1st April 2019. Staff who changed roles but still worked in the same band are considered as existing staff as they have not been promoted. For these staff, their current organisational pay progression procedures will continue to apply until March 31st 2021. From 1st April 2021 the new arrangements will apply. The effect of this is that, during transition, staff not yet at the top of their pay band will receive a combination of pay uplifts and pay progression as per current arrangements.

New staff or promotions on or after April 1st 2019

With effect from 1st April 2019, all staff commencing NHS employment and those staff who are promoted on or after that date will be subject to the new pay progression arrangements. (Promotion is considered moving to a higher banded role)

Gender Pay Gap

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Trust is required to publish gender pay gap data on the Government and Trust websites.

The gender pay gap reporting uses six different standard measures and must be published by the 31st March 2020 (Public Sector Organisations) using a data snap shot from the 30th March 2019. Staff employed by the Trust on this date and included in this annual data capture are the GWH Acute Services and Swindon Community Health Services. The total number of staff included is 4861 with a split of 814 (16.75%) male and 4047 (83.25%) female.

The results show that from the total staff headcount, there is a pay gap with female staff being paid less (median 9.73%, mean 31.99%) on average than male staff. If medical staff are taken out of the figures, the gap reduces significantly with the mean pay gap 4.58% and the median -2.8% (this means that female staff are paid 2.8% more than male staff = -2.8%). The gender pay gap for medical staff reflects the national picture across the NHS and should reduce over time as currently there are more female than male Junior Doctors in training. This would indicate that over time there should be an increase in the number of female consultants, which will reduce the gender pay gap.

Bonus Pay Gender Pay Gap

There is also a large difference between male and female for bonus pay (84.62%), which includes incentives, recruitment premium, Clinical Excellence Awards, Discretionary Points and Distinction Awards for Doctors. If medical staff are not included in the calculation, this figure reduces to 33.33% meaning that males have received higher bonus pay than females.

This year the Trust has produced an action plan mainly focused on the reduction of the gender pay gap present across medical staff. All information can be viewed on the Trust website <https://www.gwh.nhs.uk/about-us/equality-and-diversity/gender-pay-gap/> and the government website.

Apprentices

Apprenticeships have increased over the last 12 months to 203 apprentices working over 24 different apprenticeship standards ranging from level 2 to level 7 (equivalent to Master's Degree level) and this includes the addition of leadership and management apprenticeships.

Apprentices comprise internal and new recruits and the Trust has exceeded the enterprise target, which requires public bodies to employ an average of 2.3% of their headcount as apprenticeship placements and currently our headcount percentage is 3.8% of the workforce.

Recruitment

The Trust continues to develop its Equality and Inclusion Policy to assure and monitor the fair treatment of staff with protected characteristics. This includes giving full and fair consideration to applications for employment made by all protected individuals having regard to their particular aptitudes and abilities and continuing the employment of, and for arranging appropriate training for employees who have become protected during their period of employment.

The Trust is signed up to the national 'Disability Confident' plan and supports the recruitment and development of disabled candidates/employees. To achieve this we show commitment to five key areas and work with our key partner Job Centre Plus as well as regional stakeholders including voluntary sector agencies, training providers and colleges.

The Trust commits to interview all disabled applicants who meet the minimum criteria for a job vacancy and to consider them on their abilities. The Trust makes every effort when employees become disabled to make sure they stay in employment through reasonable adjustment and redeployment support if appropriate. HR staff work with Occupational Health Specialist Advisers and line managers to seek appropriate roles for staff following a change in circumstances.

Consultation:

Regular communication is essential to keep staff informed about matters of concerns to them. The Trust has the following embedded and Trust-wide communication channels:

- **Email messaging** - 'Important News' (Regular Updates); 'Critical News' (Incident Report updates); Team Brief (weekly news round-up) Primary Care Team Brief (weekly to welcome new teams to Trust); 'Features' (ad hoc stories and updates);
- **GWH Intranet** – promotes all Trust related information and updates;
- **Social Media** – GWH LinkedIn, YouTube, Facebook, Twitter, Videos, Vlogs & Blogs;
- **Staff Room Magazine** – Quarterly.

Actions taken in the financial year to consult staff or their representatives to ensure their views are taken into account when making decisions likely to affect their interests are evaluated through the annual Staff Survey feedback which is included in the Staff Survey section of this report.

To enable consultation with employees, the Trust has in place an employee partnership agreement. There is an Employee Partnership Forum made up of representatives from trade unions and management. The agenda covers Trust developments and financial information, listening to key issues as well as consultation on policies and change programmes. (Further detail included in S1.5)

Governance – Fraud, corruption and bribery

The Trust has a Fraud and Corruption Policy which includes a response plan for detected or suspected fraud, corruption or bribery. In addition, the Board endorses the NHS Counter Fraud Strategy and subsequent guidance. One of the basic principles of public sector organisations is the proper use of public funds. The Trust is a public funded organisation and consequently it is important that every employee and associated person acting for, or on behalf of, the Trust is aware of the risk of fraud, corruption and bribery; the rules relating to fraud, corruption and bribery and the process for reporting their suspicions and the enforcement of these rules.

Staff consultation and engagement / other consultations

The Trust has a strong relationship with its trade union colleagues and also the Employee Partnership Forum (EPF) which formally consults and where appropriate negotiates on changes to policies, pay, terms and conditions of employment. EPF is formally recognised under a Trade Union Recognition Agreement which is due for renewal during 2020. In a joint agreement staff side representatives and management agreed to extend the current agreement for 6 months (to September 2020) and to engage with ACAS regarding the renewal of the agreement.

Working in partnership with Trade Union Representatives, the Trust has consulted with staff working in a number of areas regarding changes to services such as Theatres, Physiotherapy, Integrated Discharge Team and the Planned Care Divisional Administration Team.

The Trust upholds the STAR organisational values, which are Service, Teamwork, Ambition and Respect (STAR). These values are embedded in the Trust's Strategy, our refreshed People Strategy 2019-2024, HR policy framework, recognition schemes and support recruitment decisions.

The Trust has this year been implementing "Engage to Change" sessions in various areas throughout the organisation. One of the early sessions was dedicated to EPF and facilitating the relationships between staff side representatives and management. Actions from the session include joint agenda planning, Union representation at Trust Induction and working together to agree policies and ways of working. The Trust anticipates continued positive working with the EPF in 2020/21.

The Trust also has introduced an 'Ideas Programme' which is an improvement programme that allows all staff the continuous opportunity to give improvement ideas and feedback to senior management.

To generate and share ideas, Divisions hold themed weeks every quarter, where staff can provide ideas through the use of trolley rounds and dedicated events. All ideas are reviewed, and feedback is provided directly to staff from the management team through newsletters and update communications. In this way, every idea suggested is communicated in the right way, to the right team.

For Trust-wide ideas, there are a number of displays in public areas, such as on the ground floor corridor near the main entrance to the hospital.

Communicating with staff

We continue to review and extend the range of channels to strengthen communication between senior management and Trust staff:

- The Trust has a single intranet site for staff, providing an accurate and timely source of information across the various departments and empowering staff to take control of their own areas of the site to share information with colleagues. All news items are posted on this site.
- The Trust also has an internet site for the public, current and future staff, members and Governors to access which provides useful information about services within the Trust, health care information and information about working for the Trust. The 'Working for us' section provides a series of information about career paths available,
- The Trust increasingly focuses on social media as the main channels for communicating with staff and the public. Our Twitter account has almost 8,000 followers, and our Facebook page has almost 9,000 people following it. Posts on these channels receive several thousand people.
- Staff Room is our printed magazine for all staff and volunteers. We encourage individuals and teams to feature in an edition or, if staff think there's something we should be telling colleagues about, then we encourage staff to let us know. Copies of each issue of Staff Room are delivered to GWH and all the main community sites. It's also available electronically.

- Emails sent to all staff are reserved for important news which the Trust feels everyone needs to know about.
- A weekly Team Brief containing latest news is sent via email to all staff every Monday afternoon.

Freedom to Speak Up

The Trust has six appointed Guardians who are points of contact should anyone wish to raise a matter within the organisation. The Guardians operate independently, impartially and objectively, whilst working in partnership with individuals and groups throughout the organisation, including their senior leadership team:-

- To seek guidance and support from and, where appropriate, escalate matters to, bodies outside their organisation
- To support, and contribute to, the national Freedom to Speak Up Guardian network, comply with National Guardian Office guidance, and support each other by providing peer-to-peer support and sharing learning
- Be supported with the resources they need, including ring-fenced time, to ensure that they meet the needs of workers in their organisation. Their views on the impact of activities and decisions on Freedom to Speak Up should be actively sought.

Guardians can also offer advice and support to ensure concerns raised are handled professionally and result in a clear outcome. All of the concerns that have been received are logged internally and responses given to the appropriate persons i.e. CQC or the employee directly, except for cases raised anonymously.

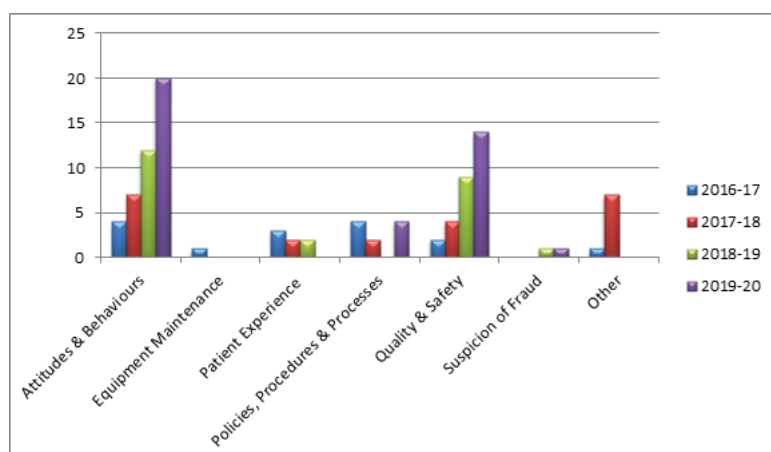
During 2019/20 the Trust appointed a new Lead Freedom to Speak Up Guardian. The Guardians meet quarterly to discuss best practice, case reviews and the learning/actions are considered and shared.

Feedback is sought from staff members who have raised concerns to ensure processes remain effective.

Information on Freedom to Speak Up cases is reported monthly to the Patient Quality and Performance Committee and also to the Board via the Quality Report. In addition, information is reported to the Executive Directors by way of a quarterly report to their weekly management meeting. Furthermore, quarterly returns are made to the National Guardians Office.

In 2019/20 there were 45 Freedom to Speak Up concerns raised compared to 24 in 2018/19. This is positive as it is indicative that the Trust wishes to ensure individuals feel able to speak up about quality and other concerns within the Trust. The graph details a breakdown of the nature of the concerns raised through Freedom to Speak Up.

Themes of Freedom to Speak Up Cases

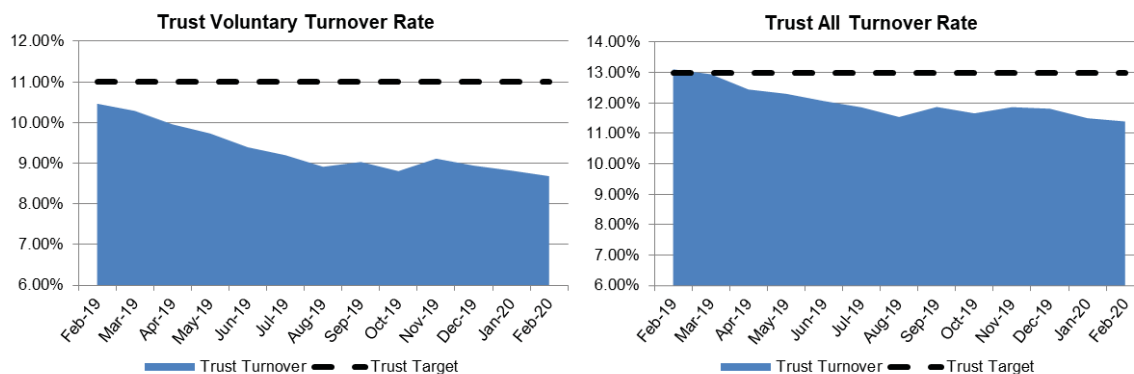


Workforce Key Performance Indicators (KPI's)

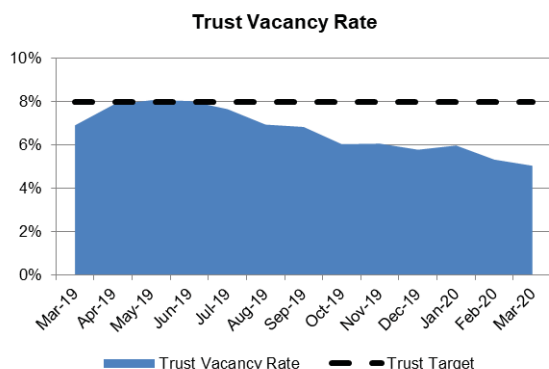
The Trust has a range of workforce KPI's which are reported in the Trust 'Monthly Workforce Report' to understand and measure the organisational performance across the management of the workforce.

Sickness absence – Sickness absence levels were 3.99% for the 12 month period March 2019- February 2020, an increase on the same period for the previous year which was 3.73%. The HR Advisor Team consistently work with managers across Divisions to review absence data for long and short term absences and provide support and guidance to reduce absence across the Trust. In addition, the HR Advisors regularly undertake absence audits to ensure there is a consistent approach to absence management across the Trust.

Turnover – All Turnover (Voluntary, end of contract, dismissals) as at February 2020 was 11.39% (February 2019 was 13.11%) against a Trust target of 13%. Voluntary turnover was 8.68% as at February 2020 (February 2019 was 10.46%) against a Trust target of 11%. The Trust continues to target departments with high levels of turnover to understand the reasons for turnover and ensure recruitment and retention plans are in place. At present the highest reason for staff turnover is relocation and the AHP professional group average over the 12 months had the highest voluntary turnover.



Vacancy levels – As at March 2020 there were 233.53 WTE vacancies, equating to a vacancy rate of 5.05%. For the same period last year there were 305.24 WTE vacancies (6.91%) against a Trust target of 8%. The Recruitment strategy for 2018 / 2020 is specifically focusing on attracting people to work for Great Western Hospitals (GWH) and to live in the local area. The Retention strategy is developed to include best practice advice and ideas from the NHSI Cohort 5 national workshops which the Trust has participated in during the last 12 months. These include a focus on retaining the older workforce, improving career pathways, extending flexible working options, investing in staff health and wellbeing, improving leadership and engagement and supporting our new starters with a good on-boarding experience.



Appraisal rates - The overall compliance rate for the Trust is 78.05% in March 2020 (compared to 77.42 % in March 2019) against a Trust target of 80%. During 2020 the Trust will continue to focus on increasing the

quality and positive impact of performance appraisals to ensure the employee feels supported with their career and development. Appraisal training provided by the HR department supports this objective.

Workforce Development

The Trust is committed to supporting and motivating current staff, trainees and future workforce, including students, with on-going learning and development opportunities. Despite challenging service pressures across the Trust, the Academy has been proactive in delivering training and supporting staff and managers to engage with mandatory elements of training. Mandatory training compliance now stands at 87.42% against a Trust target of 85%. This is a slight decrease on April 2019 when compliance was reported to be 88.23%.

The Trust Academy is the dedicated Learning and Development Centre and continues to deliver training and support in locations across the organisation introducing and planning a range of improvements to education and development opportunities available for staff:

Mandatory Training – further to staff feedback changes are being introduced to improve eLearning completion and the reporting of Mandatory Training compliance. Subject to current circumstances, it is anticipated that these changes will start to be introduced with effect from June 2020.

Completion of eLearning will be through ESR instead of the Trust's existing Learning Management System 'Training Tracker'. Staff will have one log-in to access training compliance, pay slips, employment and absence history, eLearning, and face to face training. The training will also automatically update an individual's compliance profile, eliminating the current delay of 1-2 weeks for training to transfer from one system to the other. Removing the use of Training Tracker will also save the Trust £3,725 per year.

Mandatory Training is reported in line with CQC requirements, whilst also meeting the needs of individual department managers. The new report will allow training compliance to be reported as CQC 'Safe' modules, other mandatory training modules, or all modules. The new report provides data accessibility in a range of formats and allows managers to view the data the CQC will focus on in their inspections more clearly.

Successful partnership work with Northampton University culminated in the launch of the Acute Adult Assessment and Examination Module (AAAE), which carries 40 credits at Masters level.

- Cohort 1 commenced June 2019 - 18 delegates; 13 successfully completed;
- Cohort 2 commenced January 2020 - 18 delegates; on hold until January 2021 in response to the Covid19 situation and the interim closure of the University of Northampton.

Local education partner University of West England (UWE) endorse the module as part of their Advanced Clinical Practice award, enabling staff to access UWE for the next appropriate modules.

The Academy continues to support recruitment and turnover challenge with the "Return to Acute Care" training supporting the return of 3 Nurses to employment at the Trust over the past 12 months. The programme also links with the "Stepping Up" Preceptorship programme allowing larger group participation in the classroom setting and ward placements and supervision.

Apprenticeships - Apprenticeships have increased over the last 12 months to 203 apprentices working over 24 different apprenticeship standards ranging from level 2 to level 7 (equivalent to Masters Degree level) and this includes the addition of leadership and management apprenticeships.

Apprentices comprise internal and new recruits and the Trust has exceeded the enterprise target, which requires public bodies to employ an average of 2.3% of their headcount as apprenticeship placements and currently the apprentice headcount percentage is 3.8% of the workforce.

Pre-registration team - continue to support the placements of non-medical students. In addition to university students, the Trust supports additional programmes to encourage staff to progress to undertaking professional qualifications in Nursing.

- **Widening Access Programme, Health Education England** commenced in January 2018 - 8 students joined the sponsored programme for adult nursing; 7 of this cohort completed in December 2019; 1 student due to complete in January 2020.
- **Open University Nursing programme** - 11 Trust staff on programme; Cohort 1 graduated in 2018 and continue to be employed at the Trust. Cohort 2 due to graduate in August 2020 with 3 students. Cohort 3, Autumn 2020 - 41 staff have expressed an interest in applying. The programme is self-funded and completed in non-work time whilst working part time as a Health Care Assistant or Assistant Practitioner.
- **Return to Practice (Nursing)** - 2 students have completed the Return to Practice programme in 2019/20. No UWE cohort in May 2019. There is still active interest in the programme with 15 attending a recent information session in February 2020 for future cohorts, with interest from nurses wishing to return to midwifery and children's areas as well as adult nurses. HEE have reduced the bursary now from £1,000 to £500.
- **Return to the Acute Care** - 9 Nurses returned to acute jobs, UK based overseas programme saw 2 nurses register with the NMC and work for the Trust and Objective Structured Clinical Examination (OSCE)² support and tutoring for our overseas nurses – with a success rate above the average of 95% pass over the past year.
- **International Nurses** - The Academy continue to deliver the in-house OSCE programme and in February 2020 the 100th international nurse was successful in passing the OSCE exam and achieving their nurse registration. There are currently 3 OSCE cohorts (23 staff) on hold due to COVID19 and some of the nurses have transferred onto a temporary NMC register. Once this register is closed the nurses will revert to pre-registration status and complete their OSCE exams and training.
- **Preceptorship** - continues for newly qualified nurses and is being reviewed in line with the Nursing Midwifery Council training standards and competencies for Student Nurses.
- **Return to Practice by Allied Health Professionals** – first biomedical scientist successfully completed and recruited during the last 12 months.
- **Nursing Placements** - 28 of the Trust student placements were nominated at the 'Oxford Brookes Placement of the Year Awards' in June 2019 of which 5 areas were highly commended. Of the total 208 nominations across the South West region, the Trust received 14% of the total nominations.
- **Trainee Nurse Associate Programme** - 44 students and Cohort 1 due to complete in January 2021. The nursing associate programme is a new generic nursing role in England that bridges the gap between healthcare support workers and registered nurses, to deliver hands-on, person-centred care as part of a multidisciplinary team in a range of different settings. Upon successful completion TNAs are entered onto the Nursing and Midwifery Council (NMC) register.
- **Trainee Assistant Practitioner Programme** – 12 students and cohort due to graduate summer 2020. An Assistant Practitioner follows a recognised university/ college training course to competently deliver elements of health and social care and undertakes clinical work in domains that have previously only been within the remit of registered professionals. Assistant practitioners once qualified are not registered under the NMC.

Training:

Resuscitation training, (basic to advanced) - delivered on a regular basis for all patient age groups with engagement from the multidisciplinary team and non-clinical staff. The focus remains on identifying the deteriorating patient early and prompting early escalation to expert help to protect the most vulnerable patients,

² Objective Structured Clinical Examination (OSCE) is an assessment method based on a student's performance that measure their clinical competence

across acute, community and primary care. Collaborating with Swindon Borough Council and the CCG to provide Basic Life Support training for their teams.

In January 2020, the Trust secured funding to upgrade resuscitation mannequins and purchase new equipment to enable simulation training and continued provision of Advanced Life Support training to Trust staff, national healthcare professionals and Junior Doctors, in liaison with the Severn Deanery.

Career Hub - The dedicated Early Careers Advisor is engaging with schools and colleges to scope out the provision of work experience and promoting career activities.

The work experience (WEX) process has been fully reviewed and stream lined in line with HEE guidance. 23 areas of the hospital have now signed up to take work experience students.

During 2020, the Trust has visited 9 careers fairs and liaised with two schools to build relationships with them. The careers advisor is now the central coordinator for all external career events supporting other departmental teams such as recruitment and the Academy. These events are encouraging strong interest for work experience at the hospital amongst college students and a new work experience programme being developed which is due for launch in 2020. The new WEX scheme will invite two or three students every month to spend up to five days at the hospital, to visit different wards, departments or services. Several services have signed up to support the programme including Emergency Medicine, Audiology, Children's Services, HR, Radiology and IT and the programme will be promoted internally to our staff on the Trust intranet and externally to schools, colleges and students on the Trust website. Trust board members are kept informed of progress to support the WEX programme.

Postgraduate Medical Education - continues to oversee quality control of postgraduate training led by the Director of Medical Education (DME), Foundation Programme Directors (FPD) and a consultant faculty, managed by the Medical Education Manager and administrative team. The PGME department partially funds and includes 2 Chief Registrars, and 3 Clinical Innovation Fellows, who provide additional educational support & opportunities for Junior Doctors.

In addition to educational opportunities including quality improvement work, simulation training and leadership development, PGME offers pastoral support to trainees through an in-house team led by 3 consultants, with close links to the Deanery Professional Support and Wellbeing Unit. Additionally, trainee peer support groups have been formed including the Well and Resilient Doctors (WARD) project. The entire PGME administrative team have had Mental Health First Aid training.

In response to resource challenges, PGME have embraced piloting Year 2/3 Foundation Training posts, created Strategic Education Supervisor roles for recently retired physicians and consultant lead posts for Quality improvement, Simulation, Educational Supervision and Information Technology.

The Academy has continued to successfully attract students via the extensive and innovative Self Selected Components (SSC) programmes and in turn has been able continue to support the Trust via the recruitment of Clinical Teaching Fellows (CTFs) for August 2019 with 18 offers having been made to date. In order to support the Trust in the retention of Foundation Doctors and improve GMC survey feedback, the undergraduate department has developed the role of a Ward Based Educational Guardian (WBEG). These doctors will have a split role, 50% of their time will be spend undertaking clinical work and 50% supporting the Foundation Doctor with their Supervised Learning Events core procedures as well as support medical students in the ward based environment.

The Academy has continued to expand simulation training with Oxford Brookes University which encourages effective multi-disciplinary working across professions within student groups.

Medical students from both Bristol and the University of Oxford have been withdrawn from the Trust due to the national COVID-19 outbreak. The next cohorts of students are anticipated in September 2020 and in the interim, all undergraduate Clinical Teaching Fellows have been redeployed full time into the clinical environment and the administrators.

Library Services -The Academy Library supports Trust research, training, teaching, and patient care with the following support services:

- **Information** - Supply of information, evidence, and knowledge in clinical books, journals, and papers, evidence based resources, point-of-care tools, providing enquiry services, literature searches, and teaching sessions to staff, undergraduate and post graduate students, in clinical and non-clinical settings. The library continues marketing and outreach activities.
- **Induction** - Support to induction days encouraging on average 10 new library members weekly. Library related training is embedded into in-house academy clinical courses e.g. Advanced Adult Assessment and Examination, Fundamentals of Acute Stroke and Treatment, Specialist Care of the Older Person's Essentials, and other sessions which are followed up by emails directing users to useful library resources and offering support with research. The library service gathered a number of research resources on COVID-19 and has made them available to staff on our intranet page.
- **Organisational knowledge hub** – collating research papers, journal articles, conference presentations authored and co-authored by Trust staff. It ranges from 1960s to date and includes all precursor organisations including Swindon and Marlborough NHS Trust, and the former Princess Margaret Hospital.
- **Mobile Library** - Collaboration with the Voluntary Services team to provide the mobile patient library service, housing the fictional titles alongside the existing library stock.

In March 2020, the new library management system (SWIMS catalogue) went live and the library added British Medical Journal Best Practice to its electronic resources. This resource is paid for by HEE/NICE on behalf of NHS England. The library team have reviewed and updated the library's intranet page to promote accessibility of information to users.

Discussions are underway with Wiltshire Health and Care (WH&C) to provide library services to WH&C staff under a service level agreement to be developed in the new financial year.

The library plans to complete the new HEE Library Quality and Improvement Outcomes Framework, in 2020, to provide an excellent opportunity for developing the service in 2020/21 and over the next few years.

Post graduate recruitment

Following on from the successful results of August 2018, where there were just 11WTE Vacancies, in August 2019 there was an increase to 13.44WTE vacancies. However, this increase was proportional to the increase in establishment. Both years were significant improvements when compared to 33.5WTE vacancies in August 2017. The success was mainly where non-training Doctors in lower grades (Foundation year 1 level) stayed with the Trust for a 2nd or 3rd year; the majority of these Doctors were originally recruited from Prague during an annual recruitment campaign at the university. In 2019/20, the Trust received the benefit of a TERS (Targeted Enhanced Recruitment Scheme) funded by HEE, allowing GP trainees to receive £20,000 supplement for training in the Swindon area. This improved the recruitment to GP trainee roles, further reducing vacancy rates across placements at the Trust.

The following historically hard to fill Consultant and/or Associate Specialist roles have been filled over the past 12 months in the following specialities: Acute Medicine, Cardiology, Geriatrics, General Medicine, Emergency Medicine, Intensive Care, Anaesthetics (Pain), Ears Nose & Throat, Haematology, Histopathology, Radiology, Diabetes and Rheumatology.

Supporting our volunteers

Context of being a Volunteer:

The Trust is extremely fortunate to have 334 committed and enthusiastic volunteers who support delivery of services across our acute and community services. Our volunteers provide an extremely valuable service to patients as well as providing support to staff and can be found across the Trust supporting a number of areas, including:

- The OWLS service – Outpatient Welcome and Liaison volunteer 'buddy' support for patients such as assistance to and from transport;
- Pathology volunteers supporting in the labs with non bio-hazardous activity;
- Patient befriending support;
- Supporting the Audiology Battery Support desk;
- Way Finding Service – sign-posting patients in the hospital atrium to areas for treatment.

The Trust is fortunate to retain a committed team of volunteers who commit to giving their time to help support staff, patients and visitors across the hospital. The volunteers are representative of 26 different nations, an age range from 16 to 95 and offer skills from teaching, management and Directors in diverse industry sectors. Volunteer are asked to commit to 3 hours a week for a minimum of 6 months; however, 43% of volunteers give more than the standard 3 hours and the average time commitment of a volunteer is 5.8 hours per week.

The most common reported reason why many choose to volunteer is because they or a family member have received good care at the Trust and they would like to give something back to the staff and patients by utilising their spare time doing something worthwhile.

Demographics:

Volunteers form an essential part of the hospital team and are highly valued by patients and staff. There are consistently high levels of interest in applying to become a volunteer. There have been 128 new recruits since April 2019 and on average there are always approximately 45 people in the recruitment process at any one time. The Voluntary Services team interview on average 20 new applicants per month.

Gender profile:

Total Headcount	334
Male Volunteers	99
Female Volunteers	235

Age profile:

Age Range - Years	% Volunteer Workforce
16-18	17%
19-60	38%
61-79	39%
80 +	6%

Opportunities:

For many, volunteering is a step on the ladder to employment; an opportunity to experience the hospital environment before going to university or to gain a familiarity with the NHS before applying for a role. In the 2019/20 financial year 3 Volunteers became paid members of staff with the Trust. Many volunteers stay with the Trust for years, achieving awards for 5, 10, 15 and 20 years' service with some even accruing over 25 years of voluntary service.

Recruitment Process:

There is a robust recruitment process, including referencing and criminal records checks. Volunteers attend Trust induction and complete mandatory training as required and are then ready to start volunteering. All volunteers attend at least one half day training session in a 12 month period.

Partnership working:

Additionally, there is the opportunity to volunteer at the hospital via other organisations, such as Hospital Radio, Royal Voluntary Service and Swindon & Wiltshire Carers Support Services. The Trust is also working closely with local colleges and organisations such as the Harbour Project and Route 66 in Swindon.

The Trust is committed to supporting the local community it serves and volunteering is one way of enabling engagement with local towns and communities.

Health & Wellbeing - Healthy Lifestyles

The Trust has continued its commitment to supporting staff with a comprehensive health and wellbeing programme delivered by a dedicated Health and Wellbeing Advisor, with the skills and expertise to provide staff with information on leading a healthy lifestyle.

Over the last 12 months the health and wellbeing offer has included:

- **'Happiness Days'** for staff – with a range of services focusing on self-care, mindfulness and wellbeing;
- **Departmental Massage Therapy** sessions;
- **Menopause Talk** – In January 2020 Mr Jaydip Raut, Consultant Gynaecologist, led a presentation and Q&A session for staff and members of the public about the menopause;
- **'Hidden Heroes'** – Peer to peer recognition and appreciation;
- **'Tea Trolley Round'** – Executives & Non-Executive Directors walk the wards, visit community areas and GP practices to provide refreshments and engage with staff across the Trust;
- **'Quit Smoking'** – The Trust went smoke free on 1st January 2019 and staff can access support for smoking cessation from the Health and Wellbeing Advisor and Occupational Health Nurses with onward referral to local pharmacy based services. An Annunciator was introduced into the hospital Atrium in January 2020 giving advice to people not to smoke in this area and that the Trust is Smoke free site. Smoking Cessation Education Events are also held periodically in the Academy;
- **'Health & Well Being Pop Up Campaigns'** - are run periodically to highlight important topics such as taking a lunch break. Health and Wellbeing promotional stands, road shows and awareness events are held at various times throughout the year with representation from local gyms and other local providers of community support;
- **'Weigh to Wellbeing'** - staff slimming club takes place monthly providing weight management education and exercise information along with weight and body composition measurements. In addition to this staff can access one to one appointments for weight management with the health and wellbeing advisor;
- **NHS Discounts** - Staff can access NHS discounted membership at local gyms and leisure centres across Swindon and surrounding areas and currently over 400 members of staff are taking advantage of this. Details of these facilities are advertised on the Health and Wellbeing intranet pages;
- **Self Care** – is a constant theme of the Trust health and wellbeing support for staff and includes - Cholesterol Testing, 'Time to Talk', Mental Health Awareness Week (13-19 May) Staff Support Trauma Debrief sessions, and Military Challenge Team Building events attended by multi-discipline staff members.

The Trust has an Occupational Health and Physiotherapy Service which also provides a range of management and staff support packages. Staff can self-refer into these services to receive advice and treatment.

Seasonal flu vaccinations

For the annual 2019 flu vaccination campaign the Trust achieved 83.6% KPI (including opt outs) and 69.5% (excluding opt outs). The Trust has therefore achieved the CQUIN target for 2019/20. We are developing a plan for next season's flu campaign to further increase our uptake figures to the required 90% vaccination rate.

Staff Support Services

The Staff Support Service is a team of trained counsellors and mental health practitioners with the expertise to offer trained therapies, group work, stress management sessions, drop in sessions and mini road shows throughout the year. Sessions are currently available in Bath, Calne, Chippenham, Salisbury, Trowbridge, Warminster and Wroughton. In addition to face to face support, Staff Support offer a comprehensive range of self-help and service leaflets, audited in line with national guidelines and standardised to support staff needs.

In addition to counselling services, the team support a range of staff support interventions:

- **National Campaigns** - supporting national campaigns throughout the year including World Mental Health Day, Mental Health Awareness week, Stress Awareness month and Time to Talk day. During these campaigns Staff Support has distributed brief advice and raised staff awareness through pop-up stand, counselling and leaflet promotion;
- **Bespoke Drop-In Sessions:** The team responds to departmental need with provision of increased numbers of staff sessions relating to the management of stress and mindfulness during winter pressures. This has included drop in sessions in the ED department throughout winter 2019/20;
- **Specialist Training Offer** – include ‘Switch off your Brain’ training; Mindfulness training; Trauma therapy, including EMDR for Post-Traumatic Stress Disorder; critical incident debriefing and appropriate support to teams after traumatic incidents; bereavement counselling; management training induction;
- **Mental Health First Aid Training** – The Staff Support team has run Mental Health First Aid courses (2 day courses), and successfully developed a bank of 55 trained mental health first aiders across the Trust and available to support staff. The Trust is committed to grow this bank further and 2 counsellors are attending training to become “Mental Health Instructors” to support the delivery of further training.

The Trust is developing a longer term Health and Well Being strategy incorporating staff feedback from the annual Staff Survey, analysis of themes from the current services provide and to support with health lifestyle advice and guidance.

A good **wellbeing strategy** should address all the key areas necessary to maintain staff physical and mental health and should include management and culture, remuneration, stress management, work-life balance, absence management and return to work, physical fitness and mental health concerns.

It is anticipated that the Health and Wellbeing strategy will be developed around the following key themes:-

- Mental, physical and emotional wellbeing support to achieve work-life balance;
- Early and flexible interventions to support everyone with the potential to work to do so;
- Flexible access to comprehensive health and well-being services including occupational health and staff support counselling, screening and assessment to provide personal and work related advice;
- Promotion of personal responsibility and support with healthy lifestyle choices;
- Preventative education and promotion of well-being;
- Legal commitment to employer duty of care.

Work has commenced on the Health and Well Being strategy with the anticipated launch date in Autumn 2020.

Expenditure on consultancy

Expenditure on consultancy in 2019/18 was £1.2m (2018/19 £0.8m). Consultancy advice provided to the Trust covered a number of different areas including: -

- Ophthalmology
- Governance
- Estates Management
- Clinical Coding

Off Payroll Engagements

An off payroll engagement is where the Trust employs a worker via an agency or third party rather than via the payroll and where they are in post for 6 months or more and earn more than £245 per day.

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

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

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

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which:	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	0
Of which:	
Number engaged directly (via PSC contracted to trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purpose during the year	3
Number of engagements that saw a change to IR35 status following the consistency review	0

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

	Number
No. of off payroll engagements of Board members, and/or senior officials with significant financial responsibility during the financial year	0
No. of individuals that have been deemed "Board members, and/or senior officials with significant financial responsibility" during the financial year. This figure must include both off-payroll and on-payroll engagements	19

Reporting on Compensation Scheme and Exit Packages

TABLE 1 Foundation trusts are required to disclose summary information of their use of exit packages agreed in the year 2019/20

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
Exit package cost band	Number	£000s	Number	£000s	Number	£000s	Number	£000s
<£10,000	-	-	-	-	-	-	-	-
£10,00 – £25,000	-	-	1	19	1	19	-	-
£25,001 – £50,000	-	-	-	-	-	-	-	-
£50,001 – £100,000	-	-	1	93	1	93	-	-
£100,000 – £150,000	-	-	-	-	-	-	-	-
£150,001 – £200,000	-	-	-	-	-	-	-	-
Total	-	-	2	112	2	112	-	-

TABLE 2 This table discloses the number of non-compulsory departures which attracted an exit package in the year, and the values of the associated payment(s) by individual type.

	2019/20	2019/20
	Payments agreed	Total value of agreements
	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	2	112
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval *	0	0
Total	2	112
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

IR35 Update

IR35 is also known as ‘intermediaries’ legislation’. It’s a set of rules that affects a worker’s Tax and National Insurance contributions if a worker is contracted to work for a client through an intermediary.

The intermediary can be:

- a limited company
- a service or personal service company
- a partnership

After a consultation process the following changes came into force on 6 April 2017:

- Responsibility for determining IR35 status will sit with the end user (the Trust).
- In instances where it is determined that IR35 applies, the entity paying the intermediary will be required to deduct the appropriate amount of income tax and National Insurance Contributions (NIC’s) before paying the worker.
- The liability for any unpaid tax and NI contributions sits with the body that pays the intermediary.

The Trust is required to use the facts of each contract or engagement to decide if IR35 applies and decided the employment status for each contract by considering what that relationship would be if there wasn’t an intermediary involved. The Trust completes a check via the gov.uk website on a case by case basis.

Staff Survey Report 2019/20

The NHS Staff Survey is one of the largest workforce surveys in the world and has been conducted annually since 2003. The survey seeks NHS staff feedback about their working experience and participation in the survey is mandatory for Trusts. The National Staff Survey questions are pre-determined and results were published on the 18th February 2020.

The results are grouped to give scores in 11 themes and scores are based out of 10 with an indicator score being the average of those.

Scores for each theme together with that of the survey benchmarking group 'Combined Acute and Community' are presented below.

	2019/20		2018/2019		2017/2018	
	GWH	Benchmarking Group	GWH	Benchmarking Group	GWH	Benchmarking Group
Equality, diversity and inclusion	9.2	9.2	9.1	9.2	9.2	9.2
Health and wellbeing	5.8	6.0	5.8	5.9	6.0	6.0
Immediate managers	7.1	6.9	6.8	6.8	6.8	6.8
Morale	6.1	6.2	6.1	6.2	-	-
Quality of appraisals	5.2	5.5	5.2	5.4	5.3	5.3
Quality of care	7.1	7.5	7.2	7.4	7.1	7.5
Safe environment – bullying and harassment	8.2	8.2	8.1	8.1	7.9	8.1
Safe environment – violence	9.6	9.5	9.5	9.5	9.4	9.5
Safety culture	6.8	6.8	6.7	6.7	6.7	6.7
Staff engagement	7.0	7.1	6.9	7.0	6.9	7.0
Team Working	6.7	6.7	-	-	-	-

Response rate comparison

In 2019 the Trust changed its Staff Survey provider to 'Quality Health'.

The Trust was one of the 300 participating NHS organisations, and one of 48 Combined Acute and Community Trusts that participated in the National Staff Survey in October 2019.

There were 1,250 (25% of the workforce) randomly selected and given the opportunity to participate in an online staff survey during the period September to December 2019 through their NHS email. A total of 496 employees returned a completed questionnaire giving the Trust a response rate of **40%**.

The Trust response rate of 40% in 2019 decreased from 44% in 2018 and was below the annual average response rate of 44% for the Combined Acute and Community sector. The Trust ranked 15th when benchmarked against other NHS Trusts across the South West region representing an improvement from 16th in 2018. (Appendix 1 – Regional Analysis, 2019).

Theme Results & Areas of improvement from 2018

Of the 11 themes which are measured in the survey the Trust scores improved across 7 areas, remained the same in 3 areas and there was a reduction in 1 area. Trust-wide and Divisional analysis will take place to build upon the 2018/19 Action plans and continue to drive improvement in the staff survey scores.

Staff Engagement

Staff engagement is a core fundamental commitment of the NHS People Plan. The staff engagement score for the Trust has improved in 2019 to 7.0 (6.9 in 2018) and remains marginally below the national average of 7.1 (7.0 in 2018).

Future Priorities and Targets

Staff Survey 2019 feedback determines the following four priority areas for focus over the next 12 months across the Trust. In addition to the targets detailed below, the Trust will work with staff through listening events and focus groups to identify further relevant improvement actions.

Staff Engagement – The specific areas requiring improvement being:

- Q4d. I am able to make improvements happen in my area of work
- Q21c. I would recommend my organisation as a place to work
- Q21d. If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation

Trust Priority:

- Embed and evaluate the People Strategy 2019-24
- Continue the Engage to Change methodology across Trust
- Embed and evaluate the Leadership Development Programme for Heads of Service
- 'We Said' and 'We Did' communication method to continue engagement

Quality of Care - The specific areas requiring improvement being:

- Q7a. I am satisfied with the quality of care I give to patients / service users
- Q7b. I feel that my role makes a difference to patients / service users
- Q7c. I am able to deliver the care I aspire to

Trust Priority:

- Embed and evaluate the Quality Strategy
- Utilise the Engage to Change methodology for employee led improvements

Quality of Appraisals - The specific areas requiring improvement being:

- Q19b. It helped me to improve how I do my job
- Q19c. It helped me agree clear objectives for my work
- Q19e. The values of my organisation were discussed as part of the appraisal process

Trust Priority:

- Develop and cascade the appraisal training programme with bespoke training as required
- Consider the implementation of an appraisal period (Summer)
- Introduce the talent management tool for appraisal experience
- Develop Trust-wide approach to succession and talent management

Health and Wellbeing - The specific areas requiring improvement being:

- Q11a. Does your organisation take positive action on health and well-being?
- Q11c. During the last 12 months have you felt unwell as a result of work related stress?
- Q11d. In the last three months have you ever come to work despite not feeling well enough to perform your duties

Trust Priority:

- Review Health and Wellbeing strategy as part of the People strategy review
- Develop the programme of wellness events utilising charitable funds
- Review of staff benefits and how this is communicated to staff (Staff App)
- Improving health and wellbeing guidance for managers

Divisional Focus:

Each Division is developing a local action plan focusing on **three key areas** which will make the most impact based on the results for the Division in the 2019 annual survey. The results will be shared through an 'engage to change' approach, empowering staff to be involved and contribute towards improvements in their Divisional staff survey results.

Trade Union Facility Time 2019/20

In 2017 the government passed the Trade Union (Facility Time Publication Requirements) Regulations 2017 requiring public bodies to report annually on the amount of time that Trade Union Representatives, employed by the Trust, have taken to carry out their trade union role and activities.

Table 1

Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
29	20.8

Table 2

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of Employees
0%	2
1-50%	27
51-99%	0
100%	0

Table 3

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	£35473.49
Provide the total pay bill	£172,791,954
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%

Table 4
Paid trade union activities

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

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	13.54%
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The data is published by 31 July each year on the government website www.Gov.UK.

Regional Results – Appendix 1

Acute Trusts (* Denotes Combined Acute & Community)	Latest CQC Rating	Response Rate	Equality, Diversity & Inclusion	Health & Wellbeing	Immediate Managers	Morale	Quality of Appraisals	Quality of Care	Safe Environment - Bullying & Harassment	Safe Environment - Violence	Safety Culture	Staff Engagement	Team Working	Total Score
The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust	Good	48%	9.2	6.4	7.4	6.7	6.1	7.8	8.3	9.4	7.2	7.5	7.2	83.2
Northern Devon Healthcare NHS Trust*	Requires Improvement	55%	9.4	6.2	7.5	6.8	5.6	7.8	8.3	9.6	7.0	7.4	7.1	82.7
Yeovil District Hospital NHS Foundation Trust	Requires Improvement	72%	9.2	6.7	7.4	6.6	5.9	7.7	8.3	9.4	6.9	7.4	7.0	82.5
Taunton and Somerset NHS Foundation Trust	Good	47%	9.2	6.3	7.1	6.6	5.7	7.6	8.4	9.4	7.0	7.4	6.8	81.5
University Hospital Southampton NHS Foundation Trust	Good	52%	9.2	6.2	7.1	6.4	6.0	7.5	8.3	9.4	7.0	7.3	6.7	81.1
Royal Berkshire NHS Foundation Trust	Good	54%	9.0	6.1	7.0	6.3	6.1	7.7	8.0	9.5	7.0	7.4	6.8	80.9
Dorset County Hospital NHS Foundation Trust	Good	45%	9.4	6.1	7.1	6.4	5.7	7.4	8.1	9.5	6.8	7.2	6.7	80.4
University Hospitals Bristol NHS Foundation Trust	Outstanding	55%	9.2	6.1	6.9	6.4	5.6	7.4	8.2	9.6	6.9	7.2	6.6	80.1
Royal Devon and Exeter NHS Foundation Trust*	Good	49%	9.4	6.0	7.1	6.4	5.1	7.3	8.3	9.5	6.9	7.3	6.7	80.0
Salisbury NHS Foundation Trust	Good	54%	9.2	6.1	7.1	6.3	5.6	7.4	8.1	9.5	6.8	7.2	6.6	79.9
Portsmouth Hospitals NHS Trust	Good	52%	9.1	6.0	7.1	6.3	5.6	7.4	8.0	9.4	6.8	7.1	6.8	79.6
Poole Hospital NHS Foundation Trust	Good	43%	9.2	6.0	7.0	6.3	5.4	7.4	8.0	9.4	6.7	7.2	6.7	79.3
Oxford University Hospitals NHS Foundation Trust	Requires Improvement	48%	9.0	5.9	6.9	6.2	5.6	7.5	8.0	9.5	6.8	7.1	6.5	79.0
University Hospitals Plymouth NHS Trust	Requires Improvement	63%	9.3	6.1	7.0	6.3	5.3	7.1	8.1	9.3	6.8	7.0	6.7	79.0
Great Western Hospitals NHS Foundation Trust*	Requires Improvement	40%	9.2	5.8	7.1	6.1	5.2	7.1	8.2	9.6	6.8	7.0	6.7	78.8
Torbay and South Devon NHS Foundation Trust*	Good	47%	9.2	6.1	6.9	6.3	5.1	7.3	8.2	9.5	6.6	7.0	6.6	78.8
North Bristol NHS Trust	Good	51%	9.2	5.9	6.8	6.3	5.4	7.4	8.1	9.3	6.7	7.1	6.5	78.7
Royal United Hospitals Bath NHS Foundation Trust	Good	42%	9.1	5.9	6.8	6.2	5.7	7.2	7.9	9.4	6.5	7.0	6.5	78.2
Royal Cornwall Hospitals NHS Trust	Requires Improvement	56%	9.2	5.8	7.0	6.3	5.2	7.3	7.8	9.4	6.5	6.9	6.8	78.2
Gloucestershire Hospitals NHS Foundation Trust	Good	50%	9.1	5.8	6.8	6.1	5.2	7.3	8.0	9.4	6.5	6.9	6.5	77.6
Weston Area Health NHS Trust	Requires Improvement	41%	9.1	5.6	6.5	5.8	5.4	7.3	7.5	9.3	6.3	6.7	6.4	75.9
Average		51%	9.2	6.1	7.0	6.3	5.5	7.4	8.1	9.4	6.8	7.2	6.7	79.8

KEY

Above Average Score for this Group of Trusts

Average Score for this Group of Trusts

Below Average Score for this Group of Trusts

2.4 NHS Foundation Trust Code of Governance

Council of Governors

As an NHS Foundation Trust we have established a Council of Governors, which consists of up to 24 elected and nominated Governors who provide an important link between the Trust, local people and key stakeholders by sharing information and views that can be used to develop and improve health services. The Council of Governors is a valued part of the Trust's decision making processes to ensure that the Trust reflects the needs and wishes of local people. The Council of Governors has the following roles and responsibilities: -

To:

- appoint and remove the Chairman and Non-Executive Directors.
- decide on the remuneration, allowances and terms and conditions of office of the Non-Executive Directors.
- approve the appointment of the Chief Executive.
- appoint and remove the External Auditor.
- hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.
- represent the members' interests and bring these to bear on strategy decisions.
- approve significant transactions.
- approve the Trust's Constitution.
- input into the development of the annual plan.
- receive the Annual Report and Accounts and the Auditor's opinion on them.

The Council of Governors has a duty to represent the views of foundation trust members and stakeholders, to the Board of Directors and the management of the Trust. The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance. This is done through formal Council meetings, and through working groups set up by the Council of Governors. These are explained below in this section.

During 2019/20 the Council of Governors carried out or was involved in the following: -

- Annual reviews of the Chairman and Non-Executive Directors performance;
- The appointment of a new Chief Executive (Kevin McNamara);
- Re-appointment of 3 Non-Executive Directors (Nick Bishop, Andy Copestake and Jemima Milton);
- Appointment of 1 Non-Executive Director (Lizzie Abderrahim);
- Holding the Non-Executive Directors to account on a number of issues such as cancer performance, agency staff, community services financial management;
- Input views and observations into the formulation of the Operational Plan and developing the Way Forward Plan;
- Contribution towards the Trust's Inspection by the Care Quality Committee;
- Hosting of public lectures and support for member recruitment.
- Received GWHFT Annual Report and Accounts at the Annual Members Meeting on 26 September 2019.

In 2019/20 the Council of Governors did not exercise its power to require one or more of the Directors to attend a Governors' meeting for the purpose of obtaining information about the Foundations Trust's performance of its function or the Directors' performance of their duties.

Any disagreements between the Council of Governors and the Board of Directors will be resolved following the provisions in the Trust's Constitution.

Members of the Council of Governors, Constituencies and Elections

Six public constituencies exist to cover the Trust's catchment area namely: -

- Swindon
- Northern Wiltshire
- Central Wiltshire
- Southern Wiltshire;
- West Berkshire and Oxfordshire
- Gloucestershire and Bath and North East Somerset

There are 14 public governor seats (Swindon – 7, Northern Wiltshire – 2, Central Wiltshire – 2, Southern Wiltshire – 1, West Berkshire and Oxfordshire - 1, and Gloucestershire and Bath and North East Somerset – 1). In addition there are 4 elected staff governor seats and 6 governor seats nominated by organisations that have an interest in how the Trust is run. The number of public Governors positions must be more than half of the total membership of the Council of Governors.

Governors are elected by members of those constituencies in accordance with the election rules stated in the Trust's Constitution using the "first past the post" voting system. Elections were carried out on behalf of the Trust in 2019/20 by the independent Electoral Reform Services Ltd. In the event of an elected governor's seat falling vacant for any reason before the end of a term of office, it shall be filled by the second (or third) place candidate in the last held election for that seat provided they achieved at least five percent of the vote and they will be known as reserve governors.

The names of governors during the year, including where governors were elected or appointed and their length of appointments are set out in the following tables. The Trust held elections in 4 of the constituencies, together with the 4 staff groups as outlined below.

Elected Governors in 2019/10 – Public Constituencies

	Name	Constituency	Date first elected	Current Term of Office (date ending)	Attendance from 7 Council of Governor meetings
1	Ros Thomson	Swindon	Dec-08	3 years (<i>term ends Nov-19</i>)	3/4 *
2	Louise Hill	Swindon	Nov-13	3 years (<i>term ends Nov-19</i>)	1/4 *
3	Roger Stroud	Swindon	Nov-16	3 years (<i>term ends Nov-22</i>)	6/7
4	Rosemarie Phillips	Swindon	Nov-16	3 years (<i>term ends Nov-22</i>)	7/7
5	Balbir Virik	Swindon	June-18	Remainder of 3 years (<i>term ends Nov-19</i>)	1/4 *
6	Arthur Beltrami	Swindon	Nov-19	3 years (<i>term ends Nov-22</i>)	3/3 *
7	George Cahill	Swindon	Nov-19	3 years (<i>term ends Nov-22</i>)	1/3 *
8	William Rhys Evans	Swindon	Nov-19	3 years (<i>term ends Nov-22 resigned Mar-20</i>)	1/2 *
9	Michelle Howard	Swindon	Nov-19	3 years (<i>term ends Nov-22</i>)	2/3 *
10	Maggie Jordan	Swindon	Nov-19	3 years (<i>term ends Nov-22</i>)	3/3 *
11	Judith Furse	Swindon	Mar-20	Remainder of 3 years (<i>term ends Nov-22</i>)	0/0 *
12	Pauline Cooke	Northern Wiltshire	Nov-15	3 years (<i>term ends Nov-21</i>)	4/7
13	Enam Chowdhury	Northern Wiltshire	Nov-18	3 years (<i>term ends Nov-21</i>)	3/7
14	Janet Jarmin	Central Wiltshire	Dec-08	3 years (<i>term ends Nov-21</i>)	6/7
15	Chris Callow	Central Wiltshire	Nov-19	Remainder of 3 year term (<i>term ends Nov-21</i>)	3/3 *
16	Jane Turner	West Berkshire & Oxfordshire	Nov-18	3 years (<i>term ends Nov-21</i>)	4/7

*part year

During 2019/20 public elections were held for:-

- Swindon Constituency
- Wiltshire Central Constituency
- Wiltshire Southern Constituency
- Gloucestershire and Bath & North East Somerset Constituency

At 31 March 2020 vacancies remained for the following public governor seats: -

- Gloucestershire, Bath & North East Somerset Constituency – 1 seat
- Wiltshire Southern Constituency – 1 seat
- Wiltshire Central Constituency – 1 seat

Elected Governors in 2018/19 – Staff Constituency

	Name	Staff Constituency – sub class	Date first elected	Current Term of Office (date ending)	Attendance from 7 Council of Governor meetings
1	Sarah Watts	Administrators, Maintenance, Auxiliary and Volunteers	Aug-17	Remainder of 3 year term (ending Nov-19)	1/4 *
2	Chris Shepherd	Administrators, Maintenance, Auxiliary and Volunteers	Nov-19	3 years (term ends Nov-22)	3/3 *
3	Claire Brooks	Allied Health Professionals	Nov-16	3 years (term ends Nov-19)	2/4 *
4	Oliver Harness	Allied Health Professionals	Nov-19	3 years (term ends Nov-22)	1/3 *
5	Karen Hawkins	Hospital Nursing and Therapy Staff	Nov-17	3 year term (ending Nov-22)	4/7

*part year

There are 4 staff governor seats split into sub-classes.

During 2019/20 staff elections were held for:-

- Hospital Nursing & Therapy Staff
- Allied Health Professionals
- Doctors & Dentists
- Administrators, Maintenance, Auxiliary and Volunteers

At 31 March 2020 there was one vacancy for a staff governor seat.

Nominated Governors in 2019/20

	Name	Nominating Partner Organisation	Date first nominated	Current Term of Office (ending date)	Attendance from 7 Council of Governor meetings
1	Ian James	Swindon Clinical Commissioning Group	Aug-13	3 years (term ends Aug-19)	3/3 *
2	Bill Fishlock	Swindon Clinical Commissioning Group	Sep-19	Remainder of 3 years (term ends Mar-20)	1/3 *
3	Emmy Butcher	Wiltshire Clinical Commissioning Group	Oct-18	3 years (term ends Mar-20)	2/4 *
4	Brian Ford	Local Authority – Swindon Borough Council	Aug-16	3 years (term ends Sep-22)	3/7
5	Jerry Wickham	Local Authority – Wiltshire Council	Jul-17	3 years (term ends Jun-20 resigned May-19)	0/1 *
6	David Halik	Local Authority – Wiltshire Council	Aug-19	3 years (term ends Aug-22)	2/3 *
7	Angela Gillibrand	Other Partnerships – Prospect Hospice	Nov-18	3 years (term ends Nov-21 resigned July-19)	1/3 *
8	Douglas Looman	Other Partnerships – Prospect Hospice	Sept-19	3 years (term ends Sept-22)	2/3 *
9	Sarah Snow	Other Partnerships – Oxford Brookes University	Sept-18	3 years (term ends Sep-21 resigned July-019)	2/3 *
10	Rachel Skittrall	Other Partnerships – Oxford Brookes University	Nov-19	3 years (term ends Nov-22)	1/3 *

*part year

There are 6 appointed governor seats.

There were a number of appointments / re-appointment changes in 2019/20 as follows:-

- Ian James' term of appointment ended in August 2019 as the Governor representing Swindon Clinical Commissioning Group (CCG) with Bill Fishlock nominated in September 2019 as a replacement representative. This term of office was for a short term period due to the merger of the three clinical commissioning groups of Bath and North East Somerset, Swindon and Wiltshire set to formally merge as a single organisation, on Wednesday 1 April 2020. Emmy Butcher governor representative for Wiltshire CCG term of office came to an end also due to this merger. In 2020/21 the Trust will request 2 representatives from the newly established Bath and North East Somerset, Swindon and Wiltshire Clinical Commissioning Group (BSW CCG) as Governor representatives.
- Brian Ford was re-appointed in September 2019 as the Governor representing Swindon Borough Council.
- Jerry Wickham resigned as Governor representative for Wiltshire Council in May 2019 with David Halik nominated in August 2019 as a replacement.
- Angela Gilibrand resigned as Governor representative for Prospect Hospice in July 2019 with Douglas Looman nominated in Sept 2019 as a replacement.
- Sarah Snow resigned as Governor representative for Oxford Brookes University in July 2019 with Rachel Skittrall nominated in August 2019 as a replacement.

As 31 March 2020 there were no vacancies for appointed governor seats.

Council of Governors meetings during 2020/21

There were 7 meetings of the Council of Governors in 2019/20:-

- 11 April 2019
- 27 June 2019 – Joint Trust Board and Council of Governors
- 11 July 2019
- 28 September 2019 – Council of Governors and Annual Members Meeting
- 17 December 2019
- 9 March 2020
- 27 March 2020 (virtual)

The Board of Directors and Council of Governors seek to work together effectively. During the year the Non-Executives and Chief Executive attend meetings of the Council of Governors and the table below shows the attendance at those meetings. The Executive Directors are invited to attend as observers and take part when further information is required. The Trust Secretary is also in attendance.

	Attendee(✓ = attended X = did not attend)	Attendance from 7 Council of Governor meetings
1	Lizzie Abderrahim <i>from May-19</i>	4/5*
2	Nick Bishop	3/7
3	Liam Coleman (Chair)	6/7
4	Andy Copestake	5/7
5	Peter Hill	4/7
6	Paul Lewis	4/7
7	Jemima Milton	5/7
8	Julie Soutter	5/7
9	Nerissa Vaughan (Chief Executive) <i>to Sept-2019</i>	1/2*
10	Kevin McNamara (Chief Executive) <i>from Sept-2019</i>	4/5*
11	Carole Nicholl (Company Secretary)	6/7

*part year

Lead and Deputy Lead Governors

Roger Stroud and Pauline Cooke were Lead and Deputy Lead Governor respectively in 2019/20 being re-appointed in December 2019 for a further 12 months. The Lead Governor is responsible for receiving from Governors and communicating to the Chairman any comments, observations and concerns expressed by Governors regarding the performance of the Trust or any other serious or material matter relating to the Trust or its business. The Deputy Lead Governor is responsible for supporting the Lead Governor in their role and for performing the responsibilities of the Lead Governor if they are unavailable. The Lead Governor regularly meets with the Chairman of the Trust both formally and informally. In addition, the Lead Governor communicates with other Governors by way of regular email correspondence and Governor only sessions.

Council of Governors meetings structure

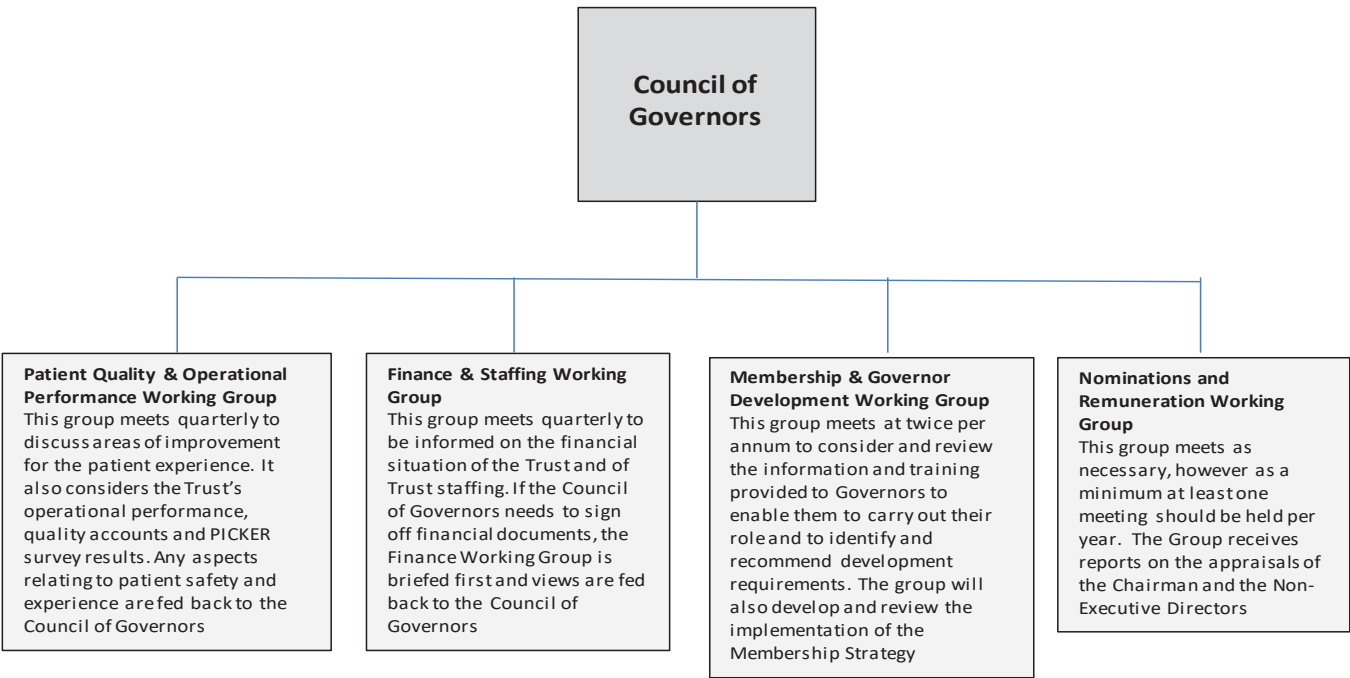
The Council of Governors has established a number of working groups which each have focussed attention for specific areas of work. During 2019/20 the following working groups were in place: -

- Patient Quality and Operational Performance Working Group
- Finance and Staffing Working Group
- Membership and Governor Development Working Group
- Nominations and Remuneration Working Group

Working groups inform Governors about activities and issues relevant to each area, thereby assuring Governors about the performance of the Board. Governors can feed in their views to inform decision making.

In addition there is a Joint Nominations Committee, established by the Council of Governors jointly with the Board of Directors, which considers nominations for Non-Executive Director appointments. The meetings structure of the Council of Governors is shown below.

STRUCTURE – Council of Governors Meeting structure



Biography of individual Governors

A biography of each Governor is included on the Trust's website.

Statement setting out how the Council of Governors and the Board of Directors operate

The overall responsibility for running the Trust lies with the Board of Directors. The Council of Governors is the collective body through which the Non-Executive Directors explain how they have sought to gain assurance about Trust performance from the Executive Directors. The Board has a scheme setting out which decisions it will make itself, known as the Reservation of Powers to the Board and there is a Scheme of Delegation which sets out powers delegated to staff.

It is the responsibility of the Council of Governors to represent the views and interests of the members, to hold the Non-Executive Directors to account for the performance of the NHS Foundation Trust and to ensure the Trust acts within the terms of its Provider Licence. The Council of Governors also works with the Board of Directors to shape the future strategy of the organisation.

The Council of Governors has specific statutory powers and duties as set out above in this report.

The Chairman of the Council of Governors is also the Chairman of the Board of Directors and he provides a link between the two, supported by the Company Secretary.

Statement setting out the steps that members of the Board of Directors, in particular the Non-Executive Directors, have taken to understand the views of Governors and members

The Board of Directors has taken the following steps to understand the views of Governors and members: -

Non-Executive Director attendance at Council of Governors meetings – During 2019/20 Non-Executive Directors attended Council of Governor meetings which enabled them to listen to Governors' concerns or comments and to respond to any questions raised.

Presentations to the Council of Governors by Non-Executive Directors - Non-Executive Directors in their capacity as Chairs of Board Committees made presentations to the Council of Governors on the role and work of those Committees which provided an opportunity for Governors to express their views and question the Non-Executive Directors on the performance of the Board. Specifically, presentations were made regarding the work of the Finance and Investment Committee, the Audit, Risk and Assurance Committee and the Quality and Governance Committee.

Joint Board of Directors and Council of Governors training – Joint training for Non-Executive Directors and Governors (with Executive Directors invited) on the role and work of individual directorates within the Trust continued in 2019/20. The joint training provides an opportunity for the Non-Executive Directors to engage with the Governors and to better understand their views and concerns.

Public health talks – To provide forums for members to meet Governors, public health talks were introduced some years ago and are continuing. Members and the public are invited to attend public presentations and talks on a specific health topic and thereafter meet Governors and share thoughts and views on healthcare generally or on their experience in the Trust. In 2019/20 six public health lectures were held as follows: -

- Acute Kidney Injury Team (Apr-19)
- End of Life (May-19)
- COPD and Oxygen (Jun-19)
- NHS Smokefree (Jul-19)
- Pain Management (Aug-19)
- Orthopaedics – The Golden Hip Award (Oct-19)
- Urinary Incontinence and Vaginal Prolapse (Dec-19)

These continue to be well attended by local people.

Questions from governors and members of the public – Questions from governors and members of the public and responses are reported through the Board and Council of Governors. This provides an opportunity to consider if further focus or action is needed to any issues raised. Questions relate to any Trust business.

Council of Governors effectiveness review – An effectiveness review of the Council of Governors was held in January 2020. Non-Executive Directors were invited to join the review. The review resulted in a refresh of the work of the Council of Governors in terms of an updated work plan and an opportunity to consider CQC Inspections pending the planned visit early in 2020 with the significant number of new Governors following elections and appointments in 2019.

Governor Working Groups / Non-Executive Directors aligned – As referred to elsewhere in this section; there are a number of working groups of the Council of Governors, the work of which is supported by staff and Directors. The joint working results in effective communication between the staff, Directors and Governors. Governors have an opportunity to input directly into the workings of the Trust either through working groups or through Non-Executive Directors. Non-Executive Directors are invited to attend meetings of working groups to provide information and receive feedback from Governors directly. Non-Executive Directors are aligned to Working Groups providing a clear link for Governors to hold Non-Executive Directors to account individually and collectively for the performance of the Board.

Additional briefing sessions – The Council of Governors has received additional presentations and briefings on specific topics, such as the Research and Innovation, Primary Care, and Freedom to Speak Up.

Governor walkabouts and visits – The Governors undertake regular visits around the hospital to help them understand how different areas work and what their issues and successes might be. This provides Governors with the necessary knowledge to understand information presented to them and to see work in practice. Governors also have the opportunity to talk to staff, patients and family which enables them to capture feedback to forward to the Board or to inform questions they might ask about Trust services.

Annual Members Meeting – In September 2019 an Annual Members Meeting was held in Swindon. The Annual Report and Accounts were presented and a briefing given on the overall performance of the Trust in the previous year. This meeting allowed an opportunity for Governors to address members, seek questions on Trust business and provide feedback to the Board of Directors.

Chairman – The Chairman of the Trust and the Director of Governance & Assurance meet monthly with the Lead and Deputy Lead Governors to discuss their views on any matters currently being considered. The Lead and Deputy Lead Governors are representatives of the Council of Governors. Their advice and input is incorporated into the decision making process via the Chairman. The Lead and Deputy Lead Governor are able to feedback additional information on the workings of the Trust to other governors. The Lead and Deputy Lead Governors have continued to hold pre-meetings with Governors prior to the Council of Governor meetings to enable additional time to think about information and questions and discuss any areas of concern.

South West Governor Exchange Network - In 2019/20 Governor representatives attended the South West Governor Exchange Network events. These provide useful information to Governors and enable them to network with Governors from other trusts.

Governor involvement in events / activities – Governors are invited to attend a number of events throughout the year which allows them to be directly involved in the work of the Trust and to influence the decisions being made. A few examples in 2019/20 were: -

- Governor representative on the End of Life Committee
- Governor representative on the Mortality Committee
- Governor involvement in fundraising for Brighter Futures
- Governor representative on the Organ Donation Committee
- Governor representation at the Medical Revalidation Committee
- Governor representation on smoking cessation group

Non-Executive Director Allowances and Annual Reviews – Nominations and Remuneration Working Group

The Nominations and Remuneration Working Group considers the performance of the Chairman and the Non-Executive Directors and determines their level of remuneration. The Working Group consists of five governors. The Chairman with the Senior Independent Director attend meetings as requested, namely to present their reports on the review of the Non-Executive Directors and the Chairman respectively.

The Working Group has established the process for review of the Chairman and the Non-Executive Directors and it considers reports from the Chairman and the Senior Independent Director on performance during the year.

The Working Group met once in 2019/20 to undertake the annual performance review of the Chairman and Non-Executive Directors. The pay arrangements for Non-Executive Directors are set to reflect foundation trust responsibilities. The rates were reviewed in 2019/20 and there were no changes made to the Non-Executive Directors allowances; however, there were additional allowances for the Chairs of 3 additional committees. This was due to the current complexities and challenges of the Trust, particularly around the financial position and moving further into an integrated healthcare system by recently acquiring two GP practices. Further information about the remuneration of the Non-Executive Directors can be found elsewhere in this report (section 2.2 refers).

Interests of Governors

Governors are required to declare any interests which are relevant and material to the business of the Trust; pecuniary interests in any contract, proposed contract or other matter concerning the Trust; and family interests of which the Governor is aware, irrespective of whether the interests are actual and potential, direct or indirect.

A register of those interests is maintained, a copy of which can be obtained from the Company Secretary.

Non-Executive Director Appointments – Joint Nominations Committee

The Trust has a Joint Nominations Committee which is responsible for recommending suitable candidates to the Council of Governors for appointment to the Chairmanship or office of Non-Executive Director; and for nominating suitable candidates for appointment as the Chief Executive. In 2019/20 The Committee recommended 2 suitable candidates as Non-Executive Directors (Jemima Milton & Peter Hill (from 1 April 2020)) and nominated a suitable candidate for the position of Chief Executive (Kevin McNamara).

The work of the Joint Nominations Committee in discharging its responsibilities

In 2019/20 the Committee met three times during the year to consider feedback from interviews and recommend candidates for appointment to the Council of Governors.

When the Chairman or a Non-Executive Director reaches the end of their current term, and being eligible, wishes to be reappointed, the Joint Nominations Committee may nominate the individual for such reappointment without competition, subject to the Committee taking into account the result of any review of the individual's performance during their term of office and the balance of skills required on the Board of Directors.

The Joint Nominations Committee consists of the Chairman, two Non-Executive Directors and four Governors, hence a majority of Governors as required by the Code of Governance when nominating individuals for appointment

Expressions of interest for new Non-Executive Directors are invited by way of formal applications in response to open advertising. Candidates are shortlisted and interviewed by a panel consisting of Governors and Non-Executive Directors. The outcome of the panel interview is considered by the Joint Nominations Committee which recommends candidates for appointment to the Council of Governors.

In October 2019 the Joint Nominations Committee recommended the re- appointment of Jemima Milton as a Non-Executive Director. As Jemima had served two three-year terms, her re-appointment was for a further 12 months and was due to the significant changes at Board level and the Trust benefiting from stability until significant appointments, the Chief Executive and Director of Finance roles, had been made and settled in. Also at this meeting the Committee had an update on the recruitment process of the Chief Executive position.

In February 2020 the Joint Nominations Committee recommended the re- appointment of Peter Hill as a Non-Executive Director for a 3 year period, together with the re-appointment as Deputy Chair from 1 April 2020. Also at this meeting the Committee had an update on the recruitment process of the Chief Executive position.

In March 2020 the Joint Nominations Committee nominated Kevin McNamara to the Non-Executive Directors for appointment as Chief Executive of the Trust which was supported by the Council of Governors at a meeting also in March 2020.

Attendance at the Joint Nominations Committee Meetings during 2019/20

Joint Nominations Committee Members		Record of attendance at each meeting ✓ = Attended ✗ = Did not attend n/a = not applicable as not member at that time		
		30 Oct-Dec-19	24 Feb-20	23 Mar-20 (Virtual)
Non-Executive Members				
Liam Coleman – Chairman		✓	✓	✓
Nick Bishop – Non-Executive Director		✓	✓	✓
Andy Copestake - Non-Executive Director		✓	✓	✓
Governor Members				
Arthur Beltrami - Governor (from Dec-19)		n/a	✓	✓
Pauline Cooke – Governor		✗	✓	✓
William Evans - Governor (from Dec-19 – Mar-20)		n/a	✗	n/a
Janet Jarmin - Governor (to Dec-19)		✗	n/a	n/a
Maggie Jordan - Governor (from Dec-19)		n/a	✗	✓
Roger Stroud – Governor		✓	✗	✓
Jane Turner - Governor (to Nov-19)		✗	n/a	n/a
Balbir Virik - Governor (to Nov-19)		✗	n/a	n/a
Sarah Watts – Governor (to Nov-19)		✓	n/a	n/a

Note: Non-Executive Directors are appointed to the Committee by the Board and Governors are appointed by the Council of Governors.

The Committee is chaired by a Governor when considering Chairman and Non-Executive Director appointments.

Note that in addition to the Joint Nominations Committee, there is a Remuneration Committee authorised by the Trust Board to oversee a formal, rigorous and transparent procedure for the appointment of the Executive Directors and to keep under review the composition size and structure of the Executive, leading on succession planning, appointing candidates to Board level positions. The Remuneration Committee reviews senior manager (Executive and non-voting Board Director) remuneration and has delegated authority for agreeing any annual pay review for these staff only (section 2.2 refers).

Membership

The Trust is accountable to local people who can become members of the Trust. Members share their views and influence the way in which the Trust is run.

The Trust's membership is made up of local people, patients and staff who have an interest in healthcare and their local health care services and these are broken down into two groups with different criteria.

Members can only be a member of one constituency, therefore local people and patients can only be a member of one public constituency. Staff can only be members of one sub-class in the staff constituency. Members are able to vote and stand in elections for the Council of Governors provided they are 18 years old and over.

Public Members

Public members include patients, carers and interested members of the public. Public members are aged 12 and over who live in the geographical area of the Trust.

Public members fall into constituencies based on where they live. The constituencies are periodically reviewed to ensure they reflect the Trust's geographical area and populations.

- Swindon
- North Wiltshire
- Central Wiltshire
- Southern Wiltshire
- West Berkshire and Oxfordshire
- Gloucestershire and Bath and North East Somerset

Staff Members

Staff members include Trust employees, SERCO (our facilities management company) employees and volunteers. Staff automatically become members when:

- they are employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months; or
- they have been continuously employed by the Trust under a contract of employment for at least 12 months; or
- they are employed by a designated subcontractor who otherwise exercise functions for the purpose of the Trust provided they have exercised these functions continuously for a period of 12 months; or
- they are designated volunteers who assist the Trust on a voluntary basis and have been doing so for at least 12 months.

Trust staff may opt out of membership if they wish.

The Trust has a wide range of staff undertaking a variety of roles and in a variety of professions. The staff constituency is split into the following sub classes to reflect occupational areas: -

- Hospital Nursing and Therapy Staff
- Allied Health Professional
- Doctors and Dentists
- Administrators, Maintenance, Auxiliary and Volunteers

Membership analysis

Being a member of our Foundation Trust gives local people opportunities to become involved and have their say in how our services are developed.

During the year, although the Trust continued to recruit members, as at 31 March 2020, there was a decline in membership as follows:

Total Number of Members across all Constituencies	2018/19	2019/20
Swindon	2,860	2,858
North Wiltshire	1,154	1,129
Central Wiltshire	503	508
Southern Wiltshire	162	162
West Berkshire and Oxfordshire	311	310
Gloucestershire and Bath and North East Somerset	341	341
Staff	7,247	6,667
TOTAL	12,578	11,975

This shows a decrease in overall membership of 603 which is a 4.7% decrease from last year.

Public Constituency	2018/19	2019/20	Estimate for 2020/21
At year start (1 April)	5,863	5,331	5,309
New Members	71	46	48
Members leaving	610	68	
At year end (31 March)	5,331	5,309	

This shows a decrease in public members of 22 (0.4%) many of which are members who are now deceased.

The estimate for 2019/20 public members is based on an aim to ensure that the public membership is maintained and improved.

Staff Constituency	2018/19	2019/20	Estimate for 2020/21
At year start (1 April)	7,039	6,984	6,667
New Members	1,159	209	
Members leaving	951	526	
At year end (31 March)	7,247	6,667	

This shows an decrease in staff members of 580 (8% decrease)

Numbers of members by age ethnicity and gender

The groupings of the members in the public constituency are as follows:

Age	2018/19	2019/20
0-16	1	1
17-21	66	33
22+	5,213	5,224
Unknown	51	51
Total	5,331	5,309

Ethnicity	2018/19	2019/20
White	3,148	3,118
Mixed	24	25
Asian or Asian British	146	154
Black or Black British	50	50
Other	26	27
Unknown	1,937	1,935
Total	5,331	5,309

Gender	2018/19	2019/20
Male	1,823	1,801
Female	2,989	2,986
Unspecified	519	522
Total	5,331	5,309

The Trust uses information from the Office of National Statistics (Census 2012) to build up a picture of the population size and ethnicity for each constituency. This helps the Trust in its aims to make the membership reflective of its population. The Trust has also determined the socio-economic breakdown of its membership and the population from its catchment area.

Building a strong relationship with our members / engagement and canvassing views

It is the aim of the Trust to have a membership that will allow the Trust to improve its local accountability, delivering healthcare services that reflect the needs of the local communities. Membership supports the Trust in increasing local accountability through communicating directly with current and future service users. In turn services are developed which reflect the needs of our local communities and loyalty within the local communities is encouraged.

The Trust fulfils this aim by communicating and engaging with members via the Trust's electronic newsletter, which is quarterly, and hosting members' briefings and events such as monthly Public Health Talks. The Trust's website provides regular updates and information on meetings and events. The Trust has a Membership & Governance Administrator position responsible for membership, to answer any questions from members or to provide additional information.

Examples of engagement in 2019/20 included: -

- Public Health Talks (topics included Acute Kidney Injury, End of Life, COPD, NHS Smokefree, Pain Management and Orthopaedics)
- Governors talking to members and the public at local community events
- Public and member attendance at Council of Governor Meetings
- Mailings about upcoming events
- Direct mailings about key milestones or good news stories

Governors are reminded to canvass the opinion of members and the public and for nominated Governors, the organisations they represent on the Trust's operational plan, including its objectives, priorities and strategy.

Views from governors feed into strategy development. For example, Governors' views were sought on the Way Forward Programme, the project that will focus on key programmes of work to create a hospital environment suitable for Swindon's growing and ageing population, now and well into the future, at the meeting of the Council of Governors held in April 2019, where an open discussion on proposals took place.

Mailings to members have been sent out regarding membership newsletters, Health Talks, Radiotherapy Centre, Annual Members Meeting, Patient & Carer Involvement Strategy Event, and Governor Elections.

Membership Strategy

To encourage membership, the Trust has in place a Membership Strategy to ensure that it reflects the needs of the members. The Membership Strategy's next review is in 2022; however, in-year action plans are revised annually.

The Council of Governors has established a sub-group, known as the Membership & Governor Development Working Group, which aims to increase and promote membership. The group meets quarterly and deliberates mechanisms to increase membership, as well as how to market membership, including tangible benefits that can be offered, and monitor the action plans to deliver the Membership Strategy.

Membership development in 2019/20

In order to build a representative membership, during 2019/20, the Trust undertook the following: -

- Recruitment drives in the hospital atrium
- An Annual Members Meetings held in September 2019
- The Governance Officer attended various school and college careers events within the area
- Public Health Talks were held monthly to respond to the needs of the population with topics discussed such as Acute Kidney Injury, End of Life, COPD, NHS Smokefree, Pain Management and Orthopaedics
- A membership stall was available at each to encourage membership sign up.
- Hospital information stands about the foundation trust model and recruitment of new members to seek their views on service improvements and developments.

The membership application form has been widely circulated with Governors taking a proactive approach to handing out forms in the community and engaging directly with members of the public at any social events, e.g. promoting the Trust through writing articles in local newspapers.

The Membership & Governance Administrator hosts a stall in the atrium of the Great Western Hospital on a regular basis talking to visitors and patients and recruiting new members.

Membership recruitment proposed for 2020/21

Engagement with existing forums

A Membership & Governance Administrator, accompanied by governors, will continue to engage with existing forums, such as parish and town councils, sports teams, carers groups etc. by attending meetings and presenting to them information about membership and encouraging new members.

Youth Membership Drive

A Membership & Governance Administrator will continue to develop and work with contacts within youth groups who are likely to be interested in the future of the hospital. Engagement with GCSE and A Level students is planned, working alongside the Trust's Academy. In addition, there will be some focussed work on young person's transitioning into adult care and young carers.

A Membership & Governance Administrator will attend careers events along with the NHS Careers team to better engage and recruit members. Students will receive a presentation on the structure of foundation trusts, tied in with the politics and funding of healthcare. This will be an opportunity to increase our membership of younger people.

News In Brief

The Trust's quarterly newsletter will be sent to members electronically.

Public Health Talks

A series of public health talks on a variety of topics is planned, with the Membership & Governance Administrator in attendance to recruit new members.

Annual Members Meeting

An annual members meeting is planned to update existing members on issues affecting the Trust. This will be an opportunity to recruit new members as emphasis will be placed on advertising the meeting throughout the community.

Approach to local employers

The Trust will continue to work with local employers to promote membership, to send out health messages and hopefully attract more businesses to sign up to support the Trust.

Contacting the Governors and Directors

If any constituency member or member of the public generally wishes to communicate with a Governor or a Director they can do so by emailing the Foundation Trust email address: foundation.trust@gwh.nhs.uk. This email address is checked daily by the Membership & Governance Administrator who will forward the email to the correct Governor and/or Director. Alternatively, a message can be left for a Governor by ringing the Membership & Governance Administrator on 01793 604185 or for a Director by ringing the Company Secretary on 01793 605171 or by sending a letter to: Company Secretary, the Great Western Hospital, FREEPOST (RRKZ-KAYR-YRRU), Swindon, SN3 6BB.

Code of Governance Disclosure Statement

The Trust Board has overall responsibility for the administration of sound corporate governance throughout the Trust and recognises the importance of a strong reputation. The Great Western Hospitals Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust has been compliant with the Code with the exception of the following: -

D.2.3 The Code states that the Council of Governors should consult external professional advisers to market-test the remuneration levels of the chairperson and other Non-Executives at least once every three years and when they intend to make a material change to the remuneration of a Non-Executives. However, in view of the costs associated with this, the Council of Governors resolved that instead the Director of Human Resource should undertake a benchmarking exercise. During 2019/20 consideration was given to the remuneration levels of the non-executive directors using benchmarking data.

E.1.1 The Board of Directors should make available a public document that sets out its policy on the involvement of members, patients and the local community at large, including a description of the kind of issues it will consult on. However, the Trust has a Communications Strategy which includes consultation and engagement and the Patient Liaison Service (PALs) has a Patient Experience and Engagement Strategy 2017-2022 Listen and Learn, which is on the Trust Website. PALS invite people to provide their views and experiences. There is also information on our website about making a complaint and we receive views from the

public via social media channels. Furthermore, the Trust has a Membership Strategy which sets out engagement with members.

Compliance with the Code of Governance is monitored through the Trust's Quality and Governance Committee. Other disclosures required under the Code of Governance are included in the Director's Report and the Remuneration Report.

Audit Committee Annual Report 2019/20

Introduction

On behalf of the Audit, Risk & Assurance Committee (ARAC), I am delighted to present the Committee's Annual Report. The Committee operates under a Board delegation and approved Terms of Reference. It comprises three Non-Executive Directors, has met six times during the period and has reported to the Board and Council of Governors on its activities. The Committee also provides assurance in relation to the Annual Governance Statement made by the Trust's Chief Executive (CE) as Accountable Officer (AO) in respect of Great Western Hospitals NHS Foundation Trust for the year ending 31 March 2020. This report covers activities and accounts during the period 1 April 2019 to 31 March 2020.

Terms of Reference

The Terms of Reference of the Committee were approved by the Board on 7 March 2019 following a refresh which included referencing against the Audit Committee Handbook published by the HFMA and Department of Health; the NHS Improvement's Code of Governance and current best practice. The Committee's Terms of Reference were reviewed again in March 2020 to ensure that they remained fit for purpose. The Committee acts in an advisory capacity and has no executive powers.

A copy of the terms of reference is available on request from the Company Secretary.

Committee membership and attendance

The Committee has had at least three Non-Executive Directors acting as members during the financial year as follows: -

Julie Soutter	Julie has been Chair of the Audit, Risk and Assurance Committee since 1 January 2016. Prior to that she was a member of the Committee from the time she joined the Trust in January 2015.
Andy Copestake	Andy has been a member of the Committee since joining the Trust on 1 July 2016.
Nick Bishop	Nicholas has been a member of the Committee since 1 January 2017. Nick is the Chair of the Quality and Governance Committee and the Mental Health Governance Committee. Nicholas has also been the Senior Independent Director since 8 February 2019 and the Chair of the Remuneration Committee.
Lizzie Abderrahim (from 1 May 2019)	Lizzie has been a member of the Committee since she joined the Trust on 1 May 2019. .

Attendances Non-Exec Members	23 May 2019	11 July 2019	12 September 2019	14 November 2019	16 January 2020	12 March 2020
Julie Soutter (<i>Chair</i>)	✓	✗	✓	✓	✓	✓
Lizzie Abderrahim (<i>from 1-May-19</i>)	✓	✓	✗	✓	✓	✓
Nick Bishop	✓	✓	✗	✓	✓	✓
Andy Copestake	✓	✗	✓	✓	✓	✓

n/a Not applicable, x not attended, ✓ attended

The Director of Finance, Medical Director and Director of Governance & Assurance & Company Secretary or their representatives also attend. Additional attendees include representatives from Internal Audit and Counter Fraud (BDO) and External Audit (KPMG) who provide updates on activities, planning and reporting. KPMG also provide updates on technical or regulatory matters which the Committee should be made aware of.

Other senior managers or representatives from Internal and External Audit are invited to attend meetings to assist on matters of specific interest or relevance to the Committee's responsibilities as required. Other Non-Executive Directors may attend as observers.

Audit Committee purpose and activity in discharging its responsibilities

The primary purpose of the Committee is to provide oversight and scrutiny of the Trust's risk management and assurance activity, internal financial and other control processes, including those related to service quality and performance. These controls underpin the Trust's Assurance Framework so as to ensure its overall adequacy, robustness and effectiveness. This approach should, therefore, address risks and controls that affect all aspects of the Trust's activity and reporting.

Operational oversight and scrutiny, in particular relating to service quality and patient care performance, is also provided through the Quality & Governance Committee. There is a direct link between the Quality & Governance Committee and the Audit Committee through committee membership and exception reporting. The Finance and Investment Committee provides oversight of financial management and planning. Again, there is a direct linkage between this Committee and the Audit Committee through membership and exception reporting. Day to day performance management of the Trust's activity, risks and controls is the responsibility of the Executive Directors.

The Audit Committee has oversight of corporate governance and compliance by keeping under review the systems and processes of governance, assurance and their operational effectiveness and impact for the Trust, and, the performance and outcomes of Internal Audit, (including Counter Fraud services) and of External Audit. The Committee seeks to ensure that the relationship between Internal and External Audit is robust and effective and that all parties receive and provide adequate support to and from Trust management as required. Time is set aside for private discussion with Internal Auditors, External Auditors and Trust Finance Management Leads. Note that the Quality and Governance Committee also has oversight of corporate governance to ensure that the Trust is at all times compliant with the terms of its Authorisation, Provider Licence and Registrations and with CQC Regulations and NHSI's Governance Framework.

Risk and Governance Activity

The Committee met in May, July, September and November 2019, and also in January and March 2020. For the current financial year a minimum of six meetings are scheduled, commencing in May 2020 with the review and approval of the 2019-20 year-end Annual Report and Accounts. The major review areas addressed in the meetings in 2019-20 are summarised as follows: -

- At least three times per year the Board Assurance Framework and 15+ Risk Register are reviewed and risks and assurances challenged where appropriate by the Committee. The strategic objectives are aligned to the Board Committees with those Committees responsible for seeking assurances that strategic risks are being managed. A Risk Escalation Framework supported by a Risk Appetite Statement is in place.
 - The Audit Committee has continued to challenge effectiveness of risk management throughout the organisation and has supported further actions and areas for focus, such as the continuation of individual divisional presentations to the Committee on their risk management arrangements, shared learning, action management and the consistency of risk scoring. The Committee welcomed the introduction of refreshed reporting which showed the overall Trust performance for managing risks, together with a heat map showing the number of risks ratings in each category within the Trust's risk scoring matrix and a breakdown of risks by the CQC key lines of enquiry (KLOE) themes. The Committee considered the effectiveness of risk management with oversight of the mechanisms in place to manage risk within the Trust. The Committee welcomed the measures to strengthen processes including the continuation of a Risk Committee and the introduction of dashboards for each Divisions showing how they each performed against KPIs for the management of risk. More recently, the Committee has welcomed the development of horizon maps for high scoring risks.
 - The Committee has oversight of risk management and the Board Assurance Framework to ensure they remain "fit for purpose", reflect risks that impact on strategic objectives and the assurance and mitigation provided, or, if none exist, prompt a suitable course of action to minimise the impact of risks. The Committee considered a review of the effectiveness of the Board Assurance Framework and recognised that it has been informative in identifying areas to seek additional assurance and prompt actions. This approach has been embraced by the Chairs of the main Committee with each undertaking a separate review of how they use the Board Assurance Framework to inform their agendas and in turn the focus of the Board. This work is continuing with a need to prioritise areas of highest risk. The strategic risks were refreshed in year.
 - The Committee welcomed the continued roll out of key performance indicators for risk management which were recommended by an internal audit review of risk maturity. Next steps in 2020-21 will be to embed these into formal performance management frameworks being reviewed as part of the effectiveness of the Executive Committee.
- The Committee has again reviewed Trust policies, including the Fraud & Corruption Policy; the Use of External Auditors for Non-Audit Services Policy, Standing Financial Instructions Policy, Risks Management Policy.
- The Committee reviewed the following reports which included discussion on progress made and mitigating actions to control any future risks: -
 - Disclosure and Barring Service (DBS) Review
 - NHSCFA National Exercise on the prevention of procurement fraud
 - Data security and protection toolkit (DSPT) submission
 - External Audit Benchmarking Report (key indicators across acute trusts audited by KPMG)
 - Internal Audit Benchmarking Report
 - Conflicts of interest in the NHS
 - Information Governance
 - Data Security and Protection Toolkit
 - Potential options for transfer of ownership of SwICC
 - Getting it Right First Time Reviews
- The Committee has reviewed and approved reports of any single tender actions, contract extensions, waivers and reports of losses, including patient property, and any compensation paid. The improved reporting previously developed by the Committee continued in 2019-20 which allowed for improved visibility of areas for focus, resulting in different actions with a subsequent improvement to systems and processes.

- The Chair of the Committee has reviewed the Seal Register and sought any necessary explanations relating to the use of the Trust seal.
- The minutes of the Committee are submitted to the Board. The Chair of the Committee makes a verbal and written report to the Board in public after each meeting, providing visibility in the public domain of the work of the Committee and areas of focus. In the latter part of the financial year, the template of reports from Chairs of meetings was reviewed to focus on assurance. Reports are now set out in the following format: -

Matters of Concern or Key Risks to Escalate	Major Actions Commissioned / Work Underway
Positive Assurances to Report	Decisions Made

- As indicated above, in May 2020 the Trust's Financial Accounts for 2019-20 and Annual Report* were reviewed and approved by the Committee for endorsement by the Board.
*To note, as per guidance from the Department of Health & Social Care, there is no requirement for a foundation trust to include a Quality Report in its Annual Report for 2019/20 due to the COVID-19 outbreak.
- The key issues in relation to the financial statements, operations and compliance are valuation of land and buildings, recognition of NHS and non NHS income and non-pay expenditure recognition. The Committee gains assurance on these through financial internal controls, internal and external audits and challenge of reports received.
- Trusts are required to maintain a register in which details of losses and special payments are entered. This is then presented to Audit, Risk and Assurance Committee on a quarterly basis for review and approval. Losses and Compensations covers debt write offs, ex gratia payments, loss of equipment and loss of cash. A regular review of all debts that are deemed uncollectable by the Trusts External Debt Advisors is carried out on a quarterly basis, and a summary is produced of those that are not collectable and are, therefore, proposed for write off.

Internal Audit and Counter Fraud

From 1 April 2017, the Trust's internal auditor has been BDO. The Committee reviewed and approved BDO's internal audit and counter-fraud plans for 2019-20 to ensure the provision of support to the assurance framework and adequate review of internal controls and known areas of risk or concern. The Plan included a number of reviews but during the course of the year these were re-prioritised with the final list set out below. The Committee ensured that audit planning also took account of areas identified by the Quality and Governance Committee and the Finance and Investment Committee as worthy of an audit review, together with consideration of those areas identified through the Board Assurance Framework.

The Committee monitors audit delivery and receives all finalised reports on audits and counter fraud activity, all findings and any other opinions concerning governance, control or risk management arrangements. The Director of Finance provides updates at meetings that confirm progress against the plan, areas of concern and the progress on resolving audit recommendations.

Each May the Audit Committee considers and endorses the Head of Internal Audit's Report. For 2019-20 the Trust's internal controls were assessed as **moderate** and that they provided overall Moderate Assurance.

During 2019-20 the opinion of the internal audit reviews reported to the Committee were as follows: -

Name of Review	Opinion	
	Design	Operational Effectiveness
General Data Protection Regulations (GDPR)	Substantial	Substantial
Sickness Management	Substantial	Moderate
Capacity Planning	Moderate	Limited
Divisional Governance	Moderate	Moderate
Clinical Governance	Moderate	Moderate
Recruitment and Retention	Moderate	Moderate
Consent & Mental Capacity Act	Moderate	Moderate
Theatre Utilisation	Moderate	Limited
Clinical Audit	Substantial	Moderate
Key Financial Systems	Substantial	Moderate
Facilities & Estates	Moderate	Moderate
Digital Security Protection Toolkit	Substantial	Substantial
Medical Equipment Management	n/a	n/a
Data Warehouse	n/a	n/a

All reports have agreed action plans and were subject to detailed review by the Committee. It should be noted that each year there are areas of the internal audit plan work that are completed towards the end of the current financial year but reported to the ARAC in the following financial year.

The Committee also reviewed the work of Counter Fraud during the year. This included consideration of a counter fraud risk assessment, which noted that recommendations for the previous year had been implemented, with the exception of anti-bribery training for Board members, which was subsequently delivered in March 2020. In addition to regular reports, the Committee received advice on national fraud cases to ensure that any learning from those cases was identified. The Annual Fraud Risk Assessment was reported in May 2020 and the overall rating was “**Green**”.

During the year the Committee considered an update on Cyber Security Network Access, noting the actions to manage and mitigate risks to the Trust’s network. The Committee agreed that a report on cyber security should be considered annually.

The Committee considered a report which provided assurance that there were on-going actions in place to promote and support an open culture that encourages staff to speak up about any issues of patient care, quality or safety. The Trust now has in place 7 guardians to support this work. The Committee supported the Trust’s hosting of the Regional Freedom to Speak Up event in October 2019.

External Audit

KPMG were represented at all meetings of the Committee and submitted reports as needed, including their 2019-20 audit opinion on the Trust’s Financial Accounts and their Annual ISA260 report. During the year, the Audit Committee considered the following significant audit risks identified by external audit:

- Management override of controls
- Valuation of Land and Buildings
- Fraudulent recognition of revenue
- Fraudulent recognition of non-pay expenditure

The Audit Committee also considered the Value for Money - Financial Sustainability risk identified by external audit through risk assessment processes. External audit have provided a **qualified opinion** this year. Subject to the matters outlined in the following paragraphs the External Auditors were satisfied that in all significant respects the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020. The Independent Auditor’s Report can be found on page 123.

The External Auditors are required to certify that they have completed the audit of the Trust financial statements in accordance with the requirements of the Code of Governance. If there are any circumstances under which they cannot issue a certificate, then they must report this to those charged with governance. There are no issues that would cause the External Auditors to delay the issue of their certificate of completion of the audit.

The 2019/20 year-end audit plan was reviewed and agreed. All significant points raised by KPMG as a result of their audit work, including any issues carried forward, have been discussed with the Committee, were considered by management and, if needed, appropriate responses have been made and control processes identified for strengthening. The Committee also reviewed the fees charged by KPMG and the scope of work undertaken.

The effectiveness of the external audit process is reviewed when considering the appointment / re-appointment of the external auditor.

There were no material non-audit services provided by KPMG during the year which might impact KPMG's professional independence.

Review of Effectiveness

Each year the Committee undertakes a formal review of its effectiveness. No major weaknesses were identified in 2019/20.

In 2019/20 the Committee also reviewed guidance published to support the expanding role of the Audit Committee in relation to managing change and transformation. Following two reviews the Forward Plan of the Committee has been expanded to include oversight of transformation and partnership working with the Terms of Reference of the Committee strengthened to include this.

The Chair of the Committee continues to work with the Director of Governance & Assurance to reflect on the effectiveness of the Committee and changes are made during the year as necessary. The Committee routinely refreshes its forward planning of presentations and agenda items.

Directors' responsibilities for preparing accounts and External Auditor's report

So far as the Directors are aware, there is no relevant material audit information of which the Auditor is unaware. The Directors have ensured that any such information has been brought to the Auditor's attention. The Directors are aware of their responsibilities for preparing the accounts and are satisfied that they meet NHS Foundation Trust reporting requirements 2019/20 and the requirements reflected in the Accounting Officer's Annual Governance Statement made by the Chief Executive of the Trust. A letter of representation, reviewed and approved by the Committee, has been provided to the External Auditors signed by the Chief Executive on behalf of the Board to this effect.

The responsibilities of the External Auditors are set out in their Audit Report as included elsewhere in the Annual Report of the Trust.

Audit Committee Assurance

Based on its work over this reporting period, the Committee is able to provide assurance on the adequacy of control processes, governance and Board Assurance Framework within the Trust and to provide assurances to the Accounting Officer and the Board in respect of the audit assurances (internal and external), governance, risk management and accounting control arrangements operated.

There were no areas of concern to be disclosed in the Annual Governance Statement which have not already been disclosed. The Committee was of the opinion that there is full and frank disclosure of any material issues.

In 2020/21 the Committee will continue to operate against its Terms of Reference, seek further assurance that steps are being taken to maintain effective risk management and mitigation, sound systems of internal control and quality control, monitor actions planned to implement audit recommendations or strengthen controls in areas of concern.

Acknowledgements

The Committee acknowledges the support received from the Executive Directors and senior managers and their readiness to co-operate with the Audit Committee and take action where it is indicated. The Committee is grateful for the detailed work and application of both Internal and External Auditors.

Julie Soutter
Chair
Audit Risk and Assurance Committee
June 2020

2.5 Single Oversight Framework

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

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well led)

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

Segmentation

All Foundation Trusts and NHS Trusts are allocated a Support Segment. The segment in which a provider is placed is determined by the level of support NHS Improvement decides is appropriate (universal, targeted or mandated). A segmentation decision is not a performance rating, and it does not determine the specifics of the support package in each case. The Trust is in Segment 2 (Targeted Support) which is defined as support required in one or more areas to enable the Trust to move into the top Segment 1 where a Trust has maximum autonomy and lowest level of oversight appropriate. As at 31 March 2020, support has been identified as required in quality of care, finance & use of resources and operational performance. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

The Trust is not subject to any formal interventions.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score.

The Use of Resources looks at looks at Capital Service Cover, Liquidity, I&E Margin, I&E variance from plan and Agency usage. There are 4 levels with 1 being the best and 4 the lowest. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

	Q1	Q2	Q3	Q4
Capital service cover rating	4	4	4	4
Liquidity rating	4	4	4	4
I&E margin rating	4	4	4	4
I&E margin: distance from financial plan	4	4	4	4
Agency rating	3	3	3	4
Overall Score	4	4	4	4

The overriding rules mean that the Trust can be no more than an overall score of 3 as there is at least one indicator that scores 4.

The overall score is 4. The trust had expected this score to be 3; however, the transfer of Interim loans to Public Dividend Capital (PDC) has meant a transfer of loans to current liabilities which have an impact on the liquidity metric of the risk rating.

The last Care Quality Commission's Inspection was in 2018. Although the report found the Trust overall delivering efficient corporate, clinical support and emergency services, it gave an overall rating as 'Requires Improvement' due to the significant challenges with staffing and bed capacity as a result of significant growth in the catchment population, not meeting all the key constitutional standards and the deterioration in the financial performance.

The Trust was part way through a CQC inspection at the beginning of 2020 however due to the Coronavirus Pandemic the process was postponed in March 2020 and would continue once the government social isolation requirements are lifted.

Care Quality Commission Ratings

The Care Quality Commission (CQC) monitors, inspects and regulates health and social care services. The CQC publishes its findings, including ratings to help people choose care. The way the CQC regulates care services involves:

- Registering people that apply to the CQC to provide services.
- Using data, evidence and information throughout their work.
- Using feedback to help reach judgments.
- Inspections carried out by experts.
- Publishing information on judgments. In most cases the CQC also publish a rating to help patients choose care.
- Taking action when the CQC judges that services need to improve or to make sure those responsible for poor care are held accountable for it.

Care Quality Commission (CQC) Inspection – September 2018

In December 2018 the Trust received a report from the CQC following its inspection of Trust services during September and October 2018 which was part of the CQC's planned programme of inspections of healthcare providers. The overall rating was "requires improvement".

This inspection followed on from previous inspections in 2015 and 2017. To support the drive for improvement within the organisation the Trust established service level self-assessments frameworks which include action plans and monitoring compliance. Progress is monitored through Divisional governance arrangements reporting into an Assurance Committee with regular reporting to the CQC on milestone actions and sustainability of improvement.

During 2019/20 the Trust continued to drive improvements in the quality of services provided. Internal support was in place in 2019/20 with strengthened self-assessments through an electronic tool developed by the Trust. Peer reviews are planned to support on-going monitoring.

Full Inspection Outcomes received December 2018

The ratings for both Acute and Community locations are summarised as follows, which shows an improvement on the Trust's rating from March 2017, albeit the Trust remains overall as "requires improvement": Arrows in the table depict improvement or deterioration in rating for each key line of enquiry against the core services.

The CQC inspected the 'Effective' domain for Outpatients and Diagnostic Imaging but did not rate it due to a lack of national data available.

Our ratings for The Great Western Hospitals Foundation NHS Trust
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Overall Rating

Requires improvement

Core Service	Safe	Effective	Caring	Responsive	Well- led	Overall
Urgent and emergency services	Requires Improvement	Good	Good ↓	Requires Improvement	Good	Requires Improvement
Medical Care (including older people's care)	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement ↓	Requires Improvement
Surgery	Requires Improvement	Good	Good	Requires Improvement	Good ↑	Requires Improvement
Critical Care	Requires Improvement	Good	Good	Good	Good	Good
Maternity And gynaecology	Requires Improvement	Good	Good	Good	Good	Good
Services for children and young people	Good ↑	Good	Good	Good ↑	Good ↑	Good ↑
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good ↑	Not Rated	Good	Good ↑	Good	Good ↑
Community Health Services for Adults	Good ↑	Good ↑	Good ↑	Good ↑	Good ↑	Good ↑
Community Health Inpatient Services	Good ↑	Good ↑	Good ↑	Good ↑	Good ↑	Good ↑

Copies of the full reports for the Trust and each individual location inspected by the CQC are available publicly at the following website link <http://www.cqc.org.uk/provider/RN3/reports>

2.6 Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Great Western Hospitals NHS Foundation Trust

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

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

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

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

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

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

Signed

A handwritten signature in black ink, appearing to read 'K McNamara', is positioned above the printed name.

Kevin McNamara
Chief Executive
19 June 2020

2.7 Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

Leadership is given to the risk management process by the Director of Governance & Assurance. Executive Directors personally review the assurances against strategic risks aligned to strategic objectives on a quarterly basis as part of the Board Assurance Framework. They have oversight of the action taken to address gaps in controls and proactively identify evidence of assurance. Executive and Non-Executive Directors are trained on risk management and on their roles and responsibilities for leadership in risk management. Reminders of roles and responsibilities are included in risk reports, including prompt questions to aid discussion.

On a monthly basis the Executive Directors through the Executive Committee review the 15+ risks register to ensure risks are being managed and that the top risks for the Trust are reflected. Twice a year Directors receive oversight of 15+ risks at the Board meeting. Furthermore, each month the Board Directors are provided with a 15+ risk map to ensure continuing oversight of high level risks.

Risk Management is introduced into employee culture immediately upon employment. Employee education and training on risk management is carried out commensurate with employee roles. All new employees receive corporate induction, which includes risk management and incident reporting, alongside health and safety, manual handling and infection control training appropriate to their duties. Employees with applicable roles are provided with a one to one training session on how to use the risk register and manage risks before access to the electronic register is provided. Refresher training if required is offered on the same one to one basis to existing employees, or group drop in clinics if preferred.

Divisions are provided with a monthly risk register report detailing comparison and movement to the previous month. A Risk Escalation Framework aims to ensure consistent systems and processes for the management of risk across the Trust.

Particular emphasis is given to the identification and management of risk at a local level. Discussions at Divisional meetings are required and at Departmental level meetings to consider risk are encouraged as part of the culture to agree upon the identified score of the risk, the appropriate mitigating actions and whether the risk is valid, or "accepted/tolerated" as business as usual (risks scoring 15 plus are to be accepted by the Board only) or can be closed as appropriate. Discussions at this level and frequency reduce the duplication of risks, encourage active discussion on what are tangible risks, what can be tolerated at a local level and that the description of the risk demonstrates the consequences should the risk materialise.

Overview of risk management in the Trust



During 2019/20 a number of initiatives have been introduced to strengthen the management of risks within the Trust. These included a Standard Operating Procedure, Divisional Dashboards to show compliance with the key performance indicators, risk horizon mapping which shows the risk journey in terms of score and mitigating actions to date together with a 'look forward' timeline on the steps to reach that target score and mapped to the Trust's risk tolerance.

Also during 2019/20 Divisional presentations continued at the Audit, Risk and Assurance Committee with the intention that the Committee could support Divisions in their management of risk and gain assurance that controls and systems for the effective management of risk remain in place and are consistent. The Risk Committee also continued to discuss top risks within Divisions with Executives supporting greater learning around risk management, and has been useful to the Divisional Managers in terms of improved mapping of information and stronger actions.

Finally, during 2019/20 the Risk Management Strategy was refreshed and approved by the Trust Board, together with the Trust's Strategic Risks and Risk Tolerance.

Coronavirus Pandemic

In March 2020 the Trust's emergency resilience planning arrangements were put in place and worked effectively in connection with the Coronavirus Pandemic. Governance arrangements were set up with daily Incident Control meetings to coordinate our organisation's response, which were linked in to national briefings for Chief Executives and Medical Directors, and working at operational level with local provider colleagues. There were a range of national directives and operational decisions made to ensure we provided safe care to our service users and staff and worked collaboratively across our local health economy and wider region.

Guidance was developed for Committee meetings on discussions with Board members. Guidance from NHS England on 28 March 2020 reinforced this approach by confirming that trusts should continue to hold board meetings but streamline papers, focus agendas and hold meetings virtually not face-to-face. There would be no sanctions for technical quorum breaches (eg because of self-isolation). While under normal circumstances the public can attend at least part of provider board meetings, Government social isolation requirements constitute 'special reasons' to avoid face to face gatherings as permitted by legislation. The Trust continued to hold Board meetings to the existing schedule and make papers for the public session of the Board available on the Trust's website. We worked with NED Chairs and Executive Leads to streamline Committee meetings and develop

ways of working to ensure virtual meetings were as effective as possible. All non-essential meetings within the Trust have been ceased and virtual attendance is the default for those meetings that are required.

Arrangements for emergency decision arrangements were put in place, as outlined in the Trust's Constitution 4.2 state: Emergency Powers – The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Executive Committee and the Board for ratification.

The Trust has an established risk management system which was aligned with our emergency planning infrastructure. Risks have been developed at both Board Assurance Framework and Corporate Risk register level to help identify key areas of focus, to ensure we are working to mitigate high risk areas, help us prioritise our activities and drive our on-going emergency response.

The risk and control framework

Risk Management Strategy

The Risk Strategy was reviewed in March 2020 to ensure that there continued to be robust risk management processes in place which provide assurance to the Board that the Trust is discharging its responsibilities in ensuring good business and financial decision making leading to improvements in services and the quality of care provided.

To ensure that risk is identified, evaluated and controlled there are formal structures within the Trust. The Trust has a Risk Management Strategy which is continually reviewed and improved. This sets out how risk is managed within the organisation and the formal reporting processes. A Risk Escalation Framework is in place which includes refreshed reporting that identifies new risks; risks changes in score from the previous month; overdue actions and overdue risk reviews. Furthermore, the reporting includes an overview of risk themes and risk types which supports the early identification of issues for focus. This encourages management of risks to systems and controls as well as specific risks that emerge. During 2019/20 there has been a focus on ensuring that there is adequate understanding and discussion of risks to ensure actions to mitigate are progressed. The Risk Committee continued to deep dive into risks with a view to enforcing the need for effective challenge and scrutiny of risks, scores, controls and actions.

Whilst the Board has overall responsibility for risk management, it has delegated responsibility to the Executive Committee, which scrutinises and challenges risk management, and the Audit, Risk and Assurance Committee which provides assurance that processes for risk management are effective.

The three main elements of our risk management strategy are:

- Risk assessment
- Risk register (referred to within the organisation as the risk management tool)
- Board Assurance Framework

A risk tolerance statement aimed at supporting managers in decision making is in place. The statement sets out the Trust's appetite for risk and it is refreshed each year with the last refresh in February 2020. The Risk Tolerance Statement is explained below.

Risk assessment

All Trust employees are responsible for identifying and managing risk. The Trust uses the National Patient Safety Agency (NPSA) Risk Matrix for Risk Managers to ensure risks are collectively scored objectively against the likelihood and the consequence of the risk materialising.

In addition, a robust Incident Management Policy is in place and at corporate induction employees are actively encouraged to utilise the web-based incident reporting system. Incident reporting levels are comparable with other Trusts providing assurance that employees feel able to report incidents and risks.

Risk register (risk management tool)

The risk register is a risk management tool whereby identified risks are described, scored, controls identified, mitigating actions planned and a narrative review is recorded. Data in the risk register is extractable into report format to provide an overall picture of risks to the Trust as well as thematic overviews.

The Trust has agreed that the most significant risks to the Trust, being those that score 15 and above (15+) should be reviewed monthly at the Executive Committee, with other risks reviewed through the Divisions. A register containing 15 plus risks is scrutinised and challenged by the Executive Committee (to ensure risks are being managed) and three times a year at the Audit, Risk and Assurance Committee (to ensure processes in place to manage risk are effective). This high-level register is informed both by those risks which score 15 and above in the Board Assurance Framework (top down) and risks identified from within the Divisions (bottom up).

There is a continual focus on maintaining effective management of risk with on-going actions to support this including: -

- Monthly risk register training sessions for any members of staff
- Ad hoc individual training sessions provided as well as group sessions
- Guides refreshed and widely circulated
- Monthly reporting of Divisional Risks Registers to Divisional Managers
- Review and update of Divisional governance arrangements for risk management
- Divisional risk leads refreshed
- Focussed meetings with Divisional and Departmental managers to scrutinise and challenge risks, controls, actions and reviews
- Electronic risk system reconfiguration to again update mandatory fields / change action reporting
- Electronic system reconfigured to continually remind handlers of risk actions
- Quarterly workshops held between the Director of Governance & Assurance, risk support staff and Divisional Governance Facilitators to review risk management, discuss barriers to effective risk management at local level and to agree further actions
- Key performance indicators (KPIs) in place to monitor risk management
- Divisional presentations to the Audit, Risk and Assurance Committee
- A Risk Committee to enable Executive Director to deep dive into risks and scrutinise and challenge Divisional Managers on their mitigating actions
- 15+ Risk Map produced monthly (aligned to the CQC key lines of enquiry), circulated to Board Directors and reported to Executive Committee
- Risk management internal effectiveness reviews reported to both Audit Committee and the Board.

Risks are scrutinised locally at Divisional meetings and there is a strong emphasis from Executive Directors that managing all risks at Divisional level using the risk management system is essential. A Risk Escalation Framework is in place as well as KPIs which support oversight of risk management. Work is on-going to ensure risks management continues to remain embedded. The Trust has in place a log of on-going actions and training which is reported through the Audit, Risk and Assurance Committee. During 2019/20 there was a focus on the Trust's top risks which involved a deep dive of those risks scoring 15+ at an Executive Committee workshop in December 2019 where there was peer to peer challenge and review of all 15+ risks. This resulted in a significant reduction of 15+ risks from 63 to 40 top risks. This focus will continue.

Board Assurance Framework

The Trust has in place a Board Assurance Framework which is set by the Executive Committee and approved by the Trust Board annually. The assurance framework sets out: -

- The principal objectives to achieving the Trust's overall goals,
- The principal risks to achieving those objectives,
- The key controls to mitigate against those risks,
- Gaps in controls;
- The assurances on those controls;
- Any gaps in assurances;

- Risks on the register scoring 20+ aligned to the strategic pillar, and
- An Executive summary pulling out areas for focus.

The most recent internal auditor review of the Board Assurance Framework (including risk management) gave a “substantial” assurance opinion without recommendations (Jan-17). The audit found that the Board Assurance Framework (BAF) was embedded and is maintained as a “live” document. It is highlighted that previously the Trust commissioned an internal review of risk management annually. However, the internal audits now commissioned are more in depth and detailed, and, therefore the frequency of audits is less. The next audit review is planned in 2020/21.

In April 2019 there was a review on the effectiveness of the BAF which demonstrated that the BAF had led to deep dives and focus on particular areas, adding value to the work of the Committees in assuring the Board. There was another review at the beginning of 2020 to ensure the BAF continued to remain effective. As a result, the Chairs of the Board Committees have reflected on how to use the flags in the BAF in a structured and balanced way to inform their Committee agendas. Each Committee Chair has taken the flags identified in the Board assurance framework, reflecting on how assured the Committee is and whether further assurance is needed, planned or sought. Each Chair has presented a paper to their respective Committees mapping this, which has resulted in a change to all the Committee Forward Plans going forward.

The Board Assurance Framework includes the following: -

- Risks, controls and assurances that reflect the Trusts 5 Year Strategy (Jun-19) the Operational Plan 2019/20.
- Reporting through the Board Committees focuses on what the BAF is telling us
- Additional assurance reviews are undertaken (internally meeting with leads)
- Additional assurance reviews are identified to inform the Annual Audit Plan
- Strategic risks are aligned to the Care Quality Commission’s Key Lines of Enquiry and NHS Improvement’s Well Led Domains
- A report on all strategic risks is reported bi-annually to the Board
- Strategic risks are aligned to Board Committees with each responsible for seeking assurance that strategic risks are being managed for areas within its remit
- Assurance metrics added to the BAF to reflect the Single Oversight Framework, the Care Quality Commissions guidance on Use of Resources and NHS Improvement Well Led Framework
- Additional assurance metrics added to reflect Model Hospital
- Stronger alignment to Trust risk register

Risks to strategic objectives are aligned to Board Committees as follows: -

	Strategic Objectives 2019/20	Board Committee
1.	Outstanding patient care and a focus on quality improvement in all that we do.	Quality & Governance Committee
2.	Staff and volunteers feeling valued and involved in helping improve quality of care for patients.	Performance, People & Place Committee
3.	Improving the quality of patient care by joining up acute and community services in Swindon and through partnerships with other providers.	Performance, People & Place Committee
4.	Using our funding wisely to give us a stronger foundation to support sustainable improvements in quality of patient care.	Finance & Investment Committee

Risk appetite

The Board has a risk tolerance statement aimed at supporting managers in decision making. The statement sets out the Trust’s appetite for risk and was refreshed in February 2020. A framework was developed which the Board uses to inform its view of risk tolerance.

Risk Tolerance Statement

The management of risk underpins the achievement of the Trust’s objectives. Effective risk management is imperative to provide a safe environment and improve quality of care for patients. Risk management is also

significant in the financial and business planning process where robust, sustainable financial health and public accountability in delivering health services is required. Risk management is the responsibility of all staff.

Risk Tolerance Statement 2020/21

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The Trust recognises that its long term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, the public and strategic partners. The Trust has minimal tolerance for risks that impact on safety of patients, carers or public and quality outcomes and is cautious around the possibility of moderate risks which adversely impact on the financial position.

The Trust has an open tolerance for reputational impact where for instance we may spend above planned levels in protecting and improving the safety of our patients, however expects a high standard of conduct, ethics and professionalism to be maintained at all times. There is also a greater appetite to take considered risks in terms of pursuing innovation and challenge current working practices where positive gains can be anticipated.

The Trust is cautious to not working within the constraints of the regulatory and legal environment and will endeavour to meet the high levels of compliance expectations within a framework of prudent controls, balancing the prospect of risk elimination against pragmatic operational decisions.

The above is depicted in the charts below.

However, any consideration of risk needs to be in a broad context. Risk taking and decision making based on risk should not be considered in isolation or in "silos". There is often the potential for a greater impact of risks with wider organisational context or in relation to other decisions made.

To assist managers and staff in decisions which may involve or facilitate exposure to risk, the Trust Board has set out below its current attitude to risk.

This may change over time as internal and external circumstances change, but it provides an approved approach to support decision making by managers and staff. Decisions taken which would be contrary to this statement must be referred to the Executive Directors before implementation.

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Risk Domain	2020/21 Risk Tolerance	2020/21 Risk Appetite
Quality		
Safety	Minimal	Low
Effectiveness	Minimal	Low
Experience	Cautious	Moderate
Finance	Cautious	Moderate

Opportunistic - New Approaches & Innovation & Partnership Working	Open	High
Statutory	Cautious	Moderate
Reputational	Open	High

Significant Risks 2019/20

Risks to the Trust's strategic objectives are identified each year when the Trust formulates its annual plan and risks are identified locally through directorates and teams.

A summary of the principal risks and uncertainties facing the Trust during 2019/20 against our strategic objectives are set out below: -

Strategic Objective 1 Outstanding patient care and a focus on quality improvement in all that we do	There is a risk that the Trust will fail to meet regulators minimum fundamental quality standards resulting in enforcement action, intervention, suspension of services.
	There is a risk that the Trust is unable to meet the demand requirements as a result of the population growth in Swindon and the surrounding areas.
Strategic objective 2 Staff and volunteers feeling valued and involved in helping improve quality of care for patients	There is a risk that the Trust does not appropriately develop culture that empowers and enables staff to be innovative, learn and drive sustainable improvements in patient care
	There is a risk that the Trust fails to develop leadership capability and capacity within the workforce leading to an inability to improve quality of care for patients.
	There is a risk that the Trust fails to meet demand due to difficulties with recruitment and retention of appropriately trained staff which will impact on the improvement in quality of care for patients.
Strategic Objective 3 Improving the quality of patient care by joining up acute and community services in Swindon and through partnerships with other providers	There is a risk that the BSW STP (and wider partnerships) fails to work together to deliver the NHS Long Term Plan resulting in missed opportunities for improvements in care (including operational efficiencies).
Strategic Objective 4 Using our funding wisely to give us a stronger foundation to support sustainable improvements in quality of patient care	There is a risk that the Trust is unable to achieve and maintain financial sustainability, which will lead to widespread loss of public and stakeholder confidence with potential for regulatory action such as financial special measures.

There are a number of risks identified on the Board Assurance Framework and Risk Register. A sample of key risks on the risk register during 2019/20, together with the actions that have been taken to mitigate them, are outlined below:-

Risks	Actions to manage and mitigate
Demand & Capacity	
Due to the frequent overcrowding in the emergency department there is a risk to patients not being able to get to the right area of the department in times of deterioration and risk of harm to staff moving trolleys around the department with limited space	<ul style="list-style-type: none"> Opened ACAT (Ambulatory Care and Treatment Centre) in December 2018 which triages all our GP take – safety and flow benefits In October 2019 reversed streamed all minor patients to our UTC to free up space for majors in ED Secured UTC from UCC status with GP cover investment Matrons refocused their role on Patient Flow to get early discharges Medical Director leading daily reviews of stranded patients Full Hospital Protocol embedded to decompress ED every morning Opened Orchard Acute Ward in December 2019 – 30 additional beds Implemented Nerve Centre Patient Flow IT system
Risk to service delivery (supply of staff, potential disruption to supply chain, harm to patients and staff) due to Coronavirus pandemic	This risk relates to the Coronavirus pandemic and as this risk has been categorised by the Government as a Major Incident it is being managed on a daily basis and actions mapped through the Resilience Planning Team.
Patient Experience	
Risk of adverse patient outcomes and experience due to the Trust's inability to meet the Referral to Treatment (RTT) Performance indicators.	<ul style="list-style-type: none"> NHS Elect external review conducted and full action plan developed and being implemented Independent review of new Patient Tracking List (PTL) undertaken Informatics moved to COO portfolio New Associate Director of Informatics recruited Informatics Team being redesigned and supported BI tool being procured Weekly recovery meeting in place focused on three issues: <ul style="list-style-type: none"> Maintaining 'normal run rate' Delivering additional recovery activity Increased focus on validation Developing predictive tools
Workforce	
Risk around the ability of the consultant body to provide core medical services in Unscheduled Care due to vacancies and difficulties recruiting	<ul style="list-style-type: none"> New rota and front door working pattern being developed Renewed Recruitment campaign resulting in engagement of 3 consultants Locums engaged to support gaps Recruitment premiums approved Enhance job adverts Additional middle grade posts agreed
Financial	
The consequence of Cost Improvement Programmes (CIPs) failure in 19/20 will mean the Trust deficit position will increase, cash will become even more critical and our regulators will expect full recovery plans.	<ul style="list-style-type: none"> External review (PwC) of financial health Review of Project Management Office (PMO) structure and function to support the transformation agenda Prioritisation review – focus on a number of projects/initiatives to date eg Doctor Doctor, Thoughtonomy, Hybrid Mail – Synertec. Strengthened roles of ACPs, Pharmacy replacing nursing – SWICC. Procurement improvements. Pharmacy focus. Nerve Centre. Primary Care. Way Forward Programme. Appointed Transformation Director for initial 6 month period Looking to implement improvement as part of culture – business case in progress
There is a risk that the Trust is unable to achieve and maintain financial sustainability, which will lead to widespread loss of public	<ul style="list-style-type: none"> Working Capital overdraft available Cash position monitored through monthly Executive Committee & Finance & Investment Committee Weekly Transformation Board to track delivery of savings plans Monthly contract meeting

Risks	Actions to manage and mitigate
and stakeholder confidence with potential for regulatory action such as financial special measures.	<ul style="list-style-type: none"> ▪ Cash Group monitors cash flow ▪ Working with NHS Improvement around long terms solutions to cash position ▪ Borrowing ability from the Department of Health
Integration	
There is a risk that the BSW STP (and wider partnerships) fails to work together to deliver the NHS Long Term Plan resulting in missed opportunities for improvements in care (including operational efficiencies).	<ul style="list-style-type: none"> ▪ System wide working to consider solutions to meet demand in terms of ensuring the patient is in the right place for care ▪ Integrated community services ▪ Enlarged Emergency Department – new build project (Way Forward Programme) ▪ Estate configurations ▪ Review of patient flow options with demand growth in mind ▪ The management of two GP surgeries for to strengthen the opportunity to provide well-coordinated and more joined up services for patients and family

Assurances to strategic risks have been identified during 2019/20. Assurances are sought from a variety of sources including audits, external reviews or peer challenge as well as consideration of a number of key performance indicators (KPIs) and data metrics. When there are gaps in controls, actions are put in place to address these. If there are gaps in assurances, these are considered and efforts made to find assurances either through additional audits or reviews

Key Future risks

Many of the risks described in 2019-20 will continue to be risks in 2020-21, in particular, delivery of the financial plan, recruitment and retention, the impact of leaving the EU on costs and workforce, integrated partnerships and empowerment in the ICS model to meet statutory targets, together with the impact of the Coronavirus pandemic. There are clinical risks inherent in the delivery of healthcare which continue year on year and are managed through rigorous controls to prevent the risks from materialising into events that cause harm to patients.

Organisation culture

Our Star Values - “Service, Teamwork, Ambition, and Respect” are at the heart of all we do:

Our Values
Service Teamwork Ambition Respect

Listening to patients - The Trust promotes a culture of putting the patient at the forefront of everything it does. Listening to patients is important and patient comments and complaints are considered and investigated to ensure the Trust learns from the feedback received. The Trust also learns from the Staff Survey Feedback, Family and Friends Test, and through a number of forums such as our staff side committee.

Freedom to speak up - The Trust has mechanisms in place to promote an open and supportive culture that encourages staff to speak up about any issues of patient care, quality or safe. The Trust has a Freedom to Speak Up Policy which is based on support from National Guidance and feedback from both staff and patients which sets out a framework for responding to issues raised



Freedom to Speak Up Guardian

We are committed to dealing responsibly, openly and professionally with any genuine concerns raised and want staff to feel empowered to raise concerns at the earliest opportunity. The Trust has appointed a number of Guardians in 2018 with representation from various staff groups, and this was increased in 2019/20 to 6.

Staff survey - The Trust takes part in an annual staff survey (section 2.3 refers). For 2019/20 areas for improvement around staff were identified and an action plan is being developed to address these.

Incident reporting - The Trust has an Incident Management Policy whereby employees are required to report incidents and near misses. This helps the Trust to learn and form plans for improvements when things go wrong.

Quality impact considered - Quality as well as Equality impact assessments are in place for policies and Trust wide procedural documents, thus ensuring that equality and quality considerations is core to the Trust's overall policy framework and business. In addition, the Board has agreed refreshed milestone actions for objectives around equality and diversity to ensure everyone is treated fairly and equally.

Information risk

Risks to information, including data confidentiality, integrity and availability, are being managed and controlled. A system of monitoring and reporting on data security risks is established under delegated authority of the Trust Board through the Information Governance Steering Group, which reports into the Board's Audit, Risk and Assurance Committee. The Trust has appointed an Executive Director as the Senior Information Risk Owner (SIRO) with responsibility and accountability to the Board for information risk policy.

The Information Asset Risk Management Policy defines an overall structured approach to the management of information risk, in line with the Risk Management Strategy. A register of Information Assets is maintained. The business ownership of those assets is the responsibility of senior managers within the Trust, supported by staff with responsibility for operational management of the assets. These 'owners' and 'administrators' ensure that the principal risks are identified, assessed and regularly reviewed, and that annual assurance reports are provided on the satisfactory operation and security of the key information assets.

Where assessed as appropriate, risk treatment plans are actioned, additional controls are implemented, and prioritised risks are escalated to the appropriate Risk Register. As Accounting Officer I am committed to ensuring that immediate actions are taken where significant risks have been highlighted.

A range of measures is used to manage and mitigate information risks including: staff training, data protection impact assessments, physical security, data encryption, access controls, penetration testing, audit trail monitoring, departmental checklists and spot checks. In addition, a comprehensive assessment of information

security is undertaken annually as part of the NHS Digital Data Security and Protection Toolkit (DSPT) and further assurance is provided from Internal Audit and other reviews.

The effectiveness of these measures is reported to the Information Governance Steering Group. This includes details of any serious Data Security and Protection Security Incidents, confirmation that the Trust meets the National Data Guardian Standards as set out and assessed via the DSPT, and reports of other information governance incidents, audit reviews and spot checks.

In January 2020, the Trust underwent an Internal Audit of our current DSPT compliance. The Trust was awarded substantial assurance with 3 recommendations for improvement. All of these were implemented by February 2020 ahead of the final submission.

General Data Protection Regulations (GDPR)

Following the introduction of the GDPR in May 2018, the Trust has implemented actions on our GDPR workplan, which included the publication of an updated Data Protection Policy and an Information Governance Policy. The plan consisted of 66 actions divided into 12 work streams to ensure that 'data protection by design and default' was embedded into the organisation. In April 2020, the Trust underwent an Internal Audit of our GDPR Compliance with substantial assurance being awarded for both Design and Operational Effectiveness. The level of assurance resulted in no findings or recommendations being made by the auditors.

Data Security

The fundamental controls for cyber security are IT managed and include:-

- Access rights linked to user names and passwords and physical access
- Clear segregation of systems and firewalls
- Anti-malware software usage and closing of software weakness with up to date patches
- Data backup

There are some secondary supportive elements within the ambit of Information Governance which include: -

- IG training on data confidentiality and security covering secure passwords, changing them and not disclosing them
- Annual refresher training on the above
- Spot checks of practice around the Trust including screens being left on and unmanned

The Trust has a Data Quality Policy and Data Quality Strategy that refers to wider aspects of data safety.

At GWH, maintaining the security of our data is of primary importance to us. To safeguard our data, information and cyber security all of which we treat as interlinked, we take both technical and non-technical measures across 10 critical areas, including:-

1. Information Risk Management Regime
2. Network Security
3. User Education and Awareness
4. Malware Prevention
5. Removable Media Controls
6. Secure Configuration
7. Managing User Privileges
8. Incident Management
9. Monitoring
10. Home and Mobile Working

Our data security approach - a 10-Step Approach - is guided by a framework promoted by the UK National Cyber Security Centre (NCSC).

At a practical level, access to our data systems is controlled. We set up firewalls, install anti-virus programs, undertake backups, apply file filter, run intrusion detection and regularly update software and implement patches to improve the levels of our data, network and systems security.

In addition, we administer access rights, including user names and passwords and physical access to our data systems and networks, linked to job roles. We have in place mandatory information governance training, including annual refresher training, on data confidentiality and security covering secure passwords, changing them and not disclosing them and the handling of data in general. We undertake spot checks of practice around the organisation, and we encourage an information risk culture that promotes staff speaking out on data security-related matters and reporting incidents and risks so measures can be taken to continuously improve our data security.

Data quality and governance

Following the successful recruitment to responsible senior leadership roles of the Head of Access and Associate Director of Business Intelligence in 2019/20 the Trust have implemented a Data Quality Group to oversee key drivers in improving the accuracy and timeliness of data quality. The quorum for this group includes key stakeholders from across the organisation. The Trust aims to implement a Data Assurance Framework in 2020/21 to underpin a deep dive review of all datasets across the Trust and systematically identify challenges driving poor data quality.

To support the effectiveness of the Data Assurance Framework (DAF) the Trust has reviewed its Data Quality Policy and has ensured that this will facilitate the Trust in driving improved understanding and ownership of Data Quality across all stakeholder levels of the organisation. As part of the recruitment process in 2019/20 the Data Quality and Access Team appointed a new trainer / auditor post which will deliver training across the organisation and embed best practices of data entry upon clinical systems. The DAF will deliver a review of the effectiveness of existing systems, data entry and accuracy of reporting and entail an end to end review.

In addition to the above the Trust has begun an Improvement Programme focused upon the Informatics function reviewing training needs of the teams and the vision to be achieved. This will identify any areas of development and a gap analysis of skillsets within the Data Quality and Access Teams to ensure that the function is able to keep pace with the Trust's longer term strategic objectives of utilising data to drive insights and decision making.

In 2019/20 the Trust commenced a priority review of the 18 weeks Referral To Treatment (RTT) reporting. As part of the review the Access Team systematically reviewed cohorts of pathways to ascertain accuracy and timeliness of data entry. These cohorts were identified following an external expert review of reporting and based upon recommendations to understand drivers for the capture of live pathways.

Stakeholder involvement

As a foundation trust our membership is a resource for supporting risk management in the Trust. The membership is represented by Governors. Governors observe formal meetings of the Board of Directors to have an overview of Trust performance and Governors influence decision making by representing the view of members. In particular the Governors hold the Non-Executive Directors to account for the performance of the Board. This is done through a series of working groups, such as the Patient Quality & Operational Performance Working Group and the Finance & Staffing Working Group (section 2.4 refers). During 2019/20 the Council of Governors again agreed priority areas for focus and a series of presentations about how the Board manages these is being rolled out. The Non-Executive Directors are engaged in this process.

The Governors contributed to the development of the Trust's strategy via informal discussions with the Chairman and through formal Council of Governors meetings where quality was discussed in particular.

Key stakeholders, including patients, our public and staff membership and local partner organisations are engaged on service developments and changes, and actively include the governors and membership. In November 2019 a Patient and Carer Involvement Strategy Engagement Event was held and our membership was encouraged to attend. The Chief Executive and the Chairman represent the Trust at a number of

stakeholder forums. There is on-going dialogue with Clinical Commissioning Groups, GPs, local authorities and other trusts, which has included shared thinking on future services focussing on quality of care to patients. To ensure Trust services match the needs and wishes of the local community, there has been shared information and learning with the Clinical Commissioning Groups via workshops. This has further developed through the Sustainability & Transformation Plan (STP) as we work across our footprint of Bath & North East Somerset (BANES), Wiltshire and Swindon. As this joined up approach continues we have also started work to look at the potential of an Integrated Care model for Swindon. This is in the development stages and will be strengthened over the course of 2020 as we work closely with all of the organisations involved in health and care in the borough (includes Shrivenham).

Quality governance arrangements

Trust People Strategy

The Trust's People Strategy was refreshed in 2019 and sets out our approach to developing, strengthening and retaining our workforce over the next five years. There are 5 key themes: -

- Great Employee Development
- Great Experience
- Great Opportunities
- Great Leadership
- Great Workforce Planning

The Trust Board receive a 6 monthly progress report to review improvements on the commitments outlined in the Strategy.

Workforce Planning

The Trust establishment setting is completed annually and aligned to the Trust Business Planning Cycle. The establishment information is detailed in the monthly workforce report and any changes throughout the year are monitored via this report. A 6 monthly review is undertaken to identify any changes within service needs. The workforce planning cycle is led by clinical and operational leads, using available data and evidence to ensure capacity and demand is sufficient to provide safe and effective care.

Safer Staffing

The Trust has reviewed and implemented the NHSI recommendation detailed in the "Developing Workforce Safeguards" guidance. The Trust has a systematic approach to safer staffing which determines the number of staff and skills required to meet the needs of service users and ensure safe patient care. The Trust ensures compliance with the National Quality Board (NQB) via bi monthly "Safer Staffing" reports which are presented to Quality and Governance Committee and Trust Board. Each report includes a dashboard of key nursing quality indicators (acuity and dependency data, Care hours per Patient, Model Hospital Data comparison, staffing fill rates). The Trust undertakes a 6 monthly skill mix review which is approved by Executive Committee.

This process supports the Trust in its efforts to deploy sufficient suitably qualified, competent, skilled and experienced staff to meet care and treatment needs safely and effectively. The report includes national clinical guidance to inform decision making.

Internal Care Quality Commission (CQC) Compliance Assessment arrangements

Quality, operational performance and financial reports are considered monthly by the Board via an Executive Committee and thereafter Board Committees. In 2018/19 the Board Committee structure was comprised of three main scrutiny, challenge and support committees namely: -

- Quality & Governance Committee
- Performance, People & Place Committee
- Finance & Investment Committee

This ensures that all Trust business has a direct route to the Board via a committee.

Forward plans are in places for each committee to ensure all areas of business within their remit are considered. The reports on quality, operational performance and finance ensure the key priorities are reported together with an Executive Director summary which highlights the main issues and exceptions. In addition the Chairs of the above Committees produce reports which are presented to the Board in public. These identify key issues and nuances from the Non-Executive Director perspective on business considered. The Committee challenges the issues in detail seeking assurance on behalf of the Board that risks are being mitigated and areas of business are managed effectively.

The Board seeks to ensure the robustness of data through audits and the triangulation of information and soft intelligence. In 2019/20 there was an independent internal review of the informatics function of the Trust.

The Trust uses its Board Assurance Framework and Risk Register as tools to ensure risks are managed, including risks to quality.

During 2018/19 the Trust was inspected by the Care Quality Commission which concluded that overall the Trust is well led, which is an independent source of assurance that quality governance arrangements are robust. The next review was to be in March 2020 but this was postponed due to the Coronavirus Pandemic.

Well Led Framework

NHS Improvement (NHSI) strongly encourage all providers to carry out externally facilitated development reviews of their leadership and governance using the Well Led framework (re-issued by NHSI in June 2017) every three to five years, according to their circumstances. The framework retains a strong focus on integrated quality, operational and financial performance and is now aligned to the CQC well-led assessment. In November 2019 the Trust commissioned PricewaterhouseCoopers (PwC) to undertake an independent review of the leadership and governance arrangements at the Trust.

The review was undertaken over the period December – January 2019 and included interviews with key Trust staff, staff focus groups, a documentation review and observation of Trust Board, Management and Board Assurance Committee meetings. Initial feedback was presented to the Board highlighting the key themes in March 2020; however, the final report would not be available until April 2020. The focus for 2020/21 will be on ensuring that the recommendations from the review are implemented and embedded within the organisation.

Internal Care Quality Commission (CQC) Compliance assessment arrangements

During 2019/20 the Trust's internal compliance assessment was informed by a range of information, including staff feedback sessions, mini inspections, service reviews and self-assessments.

Peer visits are spot checks of compliance against the CQC Regulations and Key Lines of Enquiry (KLOE). The purpose of these is to provide continued focus on service delivery, to assist service leads in ensuring compliance and to ensure awareness of any improvement requirements.

The KLOE Peer visits are another mechanism for highlighting areas for improvement across the Trust. The visits enable any issues to be raised with the appropriate managers ensuring that all risk assessments, patient safety and care quality assurances are in place. Improvements are identified and actions put in place, with learning shared across teams. Each area visited received a written report of findings against the KLOE to support their improvement plans.

The Trust underwent a planned inspection by the Care Quality Commission (CQC) in September 2018 with the final report published in December 2018. The report identified 24 actions that the Trust must do and 79 actions that the Trust should do. Additionally, the report identified other areas for improvement that the organisation would like to address. The overall rating was "requires improvement". This is explained in the CQC Rating update (section 2.5 refers).

KLOE Compliance Assurance Frameworks are in place for monitoring compliance against CQC recommendations and to continue deliver improvement. Monthly exception and escalation reports are produced to monitor key deliverables. This includes the scrutiny of evidence of progress against the action plans to identify and review key issues and risks that might prevent or delay the achievement of the improvement. Action progress is delivered through core service teams and overall progress is monitored via a KLOE Committee chaired by an Executive Director.

CQC registration

Compliance with CQC registration is on a rolling program of review. This work is on-going with updates to registration made as required. Processes are in place to ensure on-going monitoring of registration requirements. The Great Western Hospitals NHS Foundation Trust registration was updated in November 2019 to register Princess Lodge and the 2 GP surgeries.

The Trust is fully compliant with the registration requirements.

Up to date Register of Interest for decision making staff

In accordance with the 'Managing Conflicts of Interest in the NHS policy' and NHS England's guidance decision making staff are required to declare any interests which are relevant and material to the business of the Trust, this includes financial interest, outside employment, shareholdings, family interests, gifts and hospitality interests of which the staff member is aware, irrespective of whether the interests are actual and potential, direct or indirect.

The Trust has achieved 90% compliance of decision making staff completing their declarations of interest.

In accordance with the 'Managing Conflicts of Interest in the NHS policy' and NHS England's guidance decision making staff (band 8c and above and all medical consultants) are required to declare any interests which are relevant and material to the business of the Trust, this includes financial interest, outside employment, shareholdings, family interests, gifts and hospitality interests of which the staff member is aware, irrespective of whether the interests are actual and potential, direct or indirect.

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

Other control measures

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Principal risks to compliance with NHS Foundation Trust Condition 4 of Provider Licence

The Trust has a provider licence and condition 4 relates to the Trust's governance arrangements.

The Trust has processes in place to record and monitor compliance with NHSI's Provider Licence conditions. The main risks to non-compliance with the provider licence are around governance and use of resources. See details in the following table.

Condition requirement	Controls & risks
To have regard to guidance issued by NHSI	<p>The Trust has in place system to ensure it meets the requirement of licence condition G5 (1) in that a register of guidance is maintained with dedicated leads for each and assurance sought that regard is had to the guidance.</p> <p>On the NHS Improvement website there is a dedicated section where all the mandatory guidance for Foundation Trusts is published. The Trust uses this as the basis for its register. The Trust maps this information to its own Register of Guidance on a regular basis (at least annually). The register was last updated in Jan-20. Leads have been identified for each and assurance is sought that there has been regard to the guidance.</p> <p>RISK - No specific risks have been identified to this condition.</p>
Procedures in place to comply with the licence	<p>The Trust has a schedule which documents each of the licence conditions, the controls in place, the assurances that the controls are robust and if there are any gaps or risks to being able to meet the conditions of the Licence. Where appropriate, risks of being able to comply with the Licence are managed via the Risk Register.</p> <p>Exceptions are reported to the Quality & Governance Committee with the last report considered in Jan-20.</p> <p>Risk - The Trust is at risk of being in breach of FT4 (7) relating to the ability to ensure the existence and effective operation of systems to ensure that the Trust has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of the licence. This is because the Trust is currently carrying a high number of vacancies and there is a national shortage of nursing and medical staff.</p> <p>This risk is mitigated through roll out of a recruitment and retention plan and use of bank and agency staff.</p>
Set out, apply and publish a transparent eligibility and selection criteria	<p>The Trust complies with the Prior Approval Policies (only treat patients if prior approval is received) and the Criteria Based Policies (only treat patients who meet the criteria) established by Wiltshire and Swindon Clinical Commissioning Groups.</p> <p>RISK - No specific risks have been identified to this condition. The Trust has regular contract meetings with the commissioners to ensure that the Trust is adhering to their requirements.</p>
At the point where a patient has a choice of providers, the patient should be notified of this and told where information can be found about the options	<p>The Trust will refer a patient back to the care of the GP for onward referral to a different speciality. At this point the patient will have a choice of provider from Choose and Book.</p> <p>RISK - No specific risks have been identified to this condition.</p>

Condition requirement	Controls & risks
<p>The Trust shall not cease to provide or materially alter the specification or provision of any Commissioner Requested Service</p>	<p>No services provided are Commissioner Requested Services. However, controls to ensure continuation of services include a Chief Operating Officer and Divisional Management Teams who oversee operational performance.</p> <p>Regular contract meetings are held with Clinical Commissioning Groups to discuss performance with areas of concern highlighted and discussed. Performance Review meetings are held monthly with Divisions where changes to services are considered.</p> <p>RISK - No specific risks have been identified to this condition.</p>
<p>Good systems of governance</p>	<p>During 2018/19 the Trust had in place a Board of Directors consisting of Non-Executive (including the Chairman) and Executive Directors, plus a Non-Voting Board Director. The Chief Executive leads on executive arrangements and the Chairman leads the Non-Executive Directors in holding the Executive Directors to account for their performance.</p> <p>The Trust has in place a Council of Governors with 24 Governor positions who hold the Non-Executive Directors to account for the performance of the Trust. A programme of areas for focus by the Governors is developed and refreshed each year having regard to key risks, performance areas and finance. Reviews of effectiveness were held in Jan-20 and areas for focus for the year ahead were agreed which included external training for the 11 new governors due to elections and new appointments.</p> <p>The Trust has an internal audit function and an external audit function that both provide assurance to the Trust on an on-going basis about the systems of internal control. An Internal Audit Programme is agreed each year having regard to the Trust's Board Assurance Framework and advice from Executive Directors on areas for focus.</p> <p>In Sep-18 the Trust underwent a Care Quality Commission (CQC) inspection which resulted in a "good" rating overall for the "well Led" domain. A CQC well led review was due to take place in March 2020 however was postponed due to the Coronavirus Pandemic.</p> <p>RISK - No specific risks have been identified to this condition.</p>
<p>Shall at all times act in a manner calculated to secure that the Trust has access to the Required Resource.</p>	<p>Financial resource - The Trust has in place robust financial governance arrangements following the implementation of recommendations from an independent assessment. During 2019/20 the Trust revisited the recommendations to ensure that arrangements put in place remain fit for purpose.</p> <p>Notwithstanding this the financial position of the Trust remains challenged and the financial position is not sustainable due in part to an underlying structural deficit averaging £12.5m per annum.</p> <p>The Trust has in place a Finance Team with robust monitoring and reporting processes. In addition, the Trust has in place a Project Management Office that focuses on driving the Cost Improvement Programme. Processes are now embedded and continue with a weekly Transformation Board consisting of Executive Directors who challenge the Divisional leads on progress</p>

Condition requirement	Controls & risks
	<p>to deliver financial savings and drive efficiencies.</p> <p>The Trust has in place a Finance and Investment Committee which meets monthly to scrutinise and challenge financial governance and sustainability with monthly reporting to the Board. A report from the Chair of that Committee is presented to the Board in public each month outlining the key points to discuss.</p> <p>Workforce resource - The Trust carries vacancies and as such is reliant on agency and locum staff. There is a national shortage of nurses, doctors and clinical specialists and it is increasing difficult to attract staff to the Trust. The Trust has established a Retention and Recruitment Plan which continues to be rolled out.</p> <p>RISK - There is a risk to compliance with this licence condition in terms of both financial and workforce resources, notably the ability to deliver further Cost Improvement Programmes going forward as it is becoming increasingly challenging to identify and implement schemes without investment. Furthermore there are risks to achieving the conditions attached to the Sustainability & Transformational Funding going forward which will continue to be reported through the Trust's Finance and Investment Committee. There are risks associated with staffing levels and capacity to meet demand (see below).</p>
<p>Establishment and implementation of: -</p> <ul style="list-style-type: none"> (a) effective Board and committee structures; (b) clear responsibilities for the Board, for committees and for staff reporting to the Board and those committees; (c) clear reporting lines and accountabilities throughout the organisation 	<ul style="list-style-type: none"> (a) The Board has agreed a schedule of powers it reserves for itself "<i>Powers Reserved to the Board</i>" and this is refreshed annually. (b) Sitting under the Board are a number of committees, each with areas of responsibility. These committees are composed of Non-Executive and Executive Directors and they oversee performance by scrutinising and challenging planned action and progress, but also offer support. For example, there is a Performance, People & Place Committee to ensure Board Committee oversight of operational, workforce, communications, estates and IT business of the Trust. The Audit, Risk and Assurance Committee scrutinise and challenges processes in place for management of services and has a strong focus on risk management. There is an Executive Committee which oversees operational management of the Trust. The membership of this Committee consists of Executive Directors only, with the most senior managers in the organisation in attendance. Key operational management decisions are made and there is oversight of directorate issues through receipt of Directorate Board minutes and exception reporting. <p>The minutes of the Board Committees are submitted to the Board at each meeting and the Chairs of those committees draw to the attention of the Board any issue of concern. In addition the Chairs of the Board Committees submit separate reports to the Board in public, highlighting significant points.</p> <p>The Terms of Reference of the Board Committees are refreshed annually to ensure they are fit for purpose and that all areas of Trust business are reflected. The latest refresh was in Mar-20.</p>

Condition requirement	Controls & risks
	<p>(c) Sitting under the Board Committees are a number of sub-committees and working groups. These have been mapped to ensure reporting lines and accountabilities are in place and that there are mechanisms to ensure issues are escalated to the Board. Minutes / reports of these meetings are presented to the respective Board Committees and any areas of concern are highlighted for discussion.</p> <p>The Trust has in place a high level “<i>Scheme of Delegation</i>”, supported by a detailed appendix which sets out the authority delegated to individuals and the remit within which that delegated authority can be exercised. Each year the Scheme is refreshed to ensure it is up to date and fit for purpose and that all areas of Trust business are reflected. The latest refresh was in Mar-20.</p> <p>The Trust has in place a trust wide policy and procedural documents framework. Policies and procedures give staff direction on how to manage services and functions. The documents are stored and archived electronically and are accessible to all staff. A robust approval system is in place with a two stage approach whereby documents are approved from a governance perspective via a Policy Governance Group and thereafter ratified by a specialist group, which ensures that the policy framework under which we expect staff to operate is clear, accessible and up to date.</p> <p>In terms of accountability, the senior managers in the organisation (Executive and Non-Voting Board Directors) have agreed threshold targets and specific measurable objectives linked to their areas of responsibility and aimed at delivering the Trust's Strategy. The appraisal of the senior managers is overseen by the Remuneration Committee each year. Sitting under this is a robust appraisal process for all staff, which is monitored and reported through a monthly workforce report.</p> <p>Performance is scrutinised and challenged through monthly performance review meetings, overseen by Executive Directors.</p> <p>Risk - No specific risks have been identified to this condition.</p>
<p>Systems must ensure a capable Board; decision making which takes account of quality of care; there is up to date data on quality of care; the Board considers data on quality of care and there is accountability for quality of care.</p>	<p>The Trust has a capable Board. The Non-Executive Directors are appointed by the Council of Governors and they are accountable to Governors for the performance of the Trust. When a vacancy arises consideration is given to the skills needed and also to the balance and composition on the Board in terms of knowledge and experience. The composition is mapped to ensure there is a sufficient spread of expertise to cover all Board areas of responsibility.</p> <p>Executive Director summaries are produced for the main reports (finance, operational performance and quality). Furthermore the Chairs of all Board Committee submit written reports to the Board in public on the issues to highlight from a Non-Executive Director perspective.</p> <p>Each month the Board considers up to date information and data about the quality of care in the form of performance indicators and achievement against targets.</p>

Condition requirement	Controls & risks
	<p>The Board recognises that it is accountable for the quality of care. A Quality and Governance Committee is in place to seek assurance on behalf of the Board that quality care is delivered. The Committee obtains assurance that the necessary governance structures and processes (relating to quality not internal control) are in place for the effective direction and control of the organisation so that it can meet all its objectives including specifically the provision of safe high quality patient care and comply with all relevant legislation, regulations and guidance that may from time to time be in place. Sitting under the Quality & Governance Committee is a Patient Quality Committee (PQC).</p> <p>Risk - No specific risks have been identified to this condition.</p>
<p>Must ensure that there are enough sufficient qualified people to comply with this licence</p>	<p>The Trust has a capable Board. Please see above.</p> <p>There are difficulties in sustaining sufficient numbers of trained clinical staff. The Trust has a number of controls in place including recruitment plans, training, retention measures and staff support.</p> <p>A monthly workforce report is produced which is overseen by the Performance, People and Place Committee.</p> <p>RISK - There is a risk that the Trust may not meet the requirements of this condition. The Trust continues to have a number of nursing and doctor vacancies and is unable to recruit to the desired levels. This shortage is national. The Trust has a Recruitment and Retention Plan which is being rolled out.</p>
<p>Submission of statement of compliance with provider licence</p>	<p>The Board assures itself of the validity of its corporate governance statement required under its licence condition in that it has in place a compliance schedule which is reviewed and scrutinised by the Quality & Governance Committee (latest review Jan-20). The Trust has identified the controls in place to ensure the licence conditions are met; the reporting mechanisms of those controls and has gathered assurances against each as evidence of compliance. Gaps in controls or assurances are identified and action planned to address any gaps is highlighted and monitored through the Quality & Governance Committee. Leads for each licence condition have been identified.</p> <p>This informs the Board which approves the corporate governance statement confirming compliance with the governance condition and anticipated compliance with this condition going forward, specifying any risks to compliance and any action proposed to take to manage risks as part of NHS Improvement's annual governance submissions.</p>

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

The Trust has in place clear governance and accountability frameworks to enable the right level of assurance to be provided to the Board, focusing on the use of resources and the importance of the scale of medium-term cost savings required in the current economic and operating environment.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- Board Committees seeking assurance on behalf of the Board that controls are in place for the management of strategic risks, with relevant extracts of the Board Assurance Framework considered by the respective Committees on a quarterly basis;
- Board of Directors reviewing the Board Assurance Framework at least twice a year, including the 15+ risk register and Internal Audit reports on its effectiveness;
- Audit, Risk and Assurance Committee, working with the Board Committees to review the effectiveness of the Trust's systems and processes of internal control;
- review of on-going compliance in meeting the Care Quality Commission's (CQC) essential standards by the Quality & Governance Committee informed by the CQC Inspection Report Dec-18 and monthly quality reports;
- Clinical Audits;
- National Patient and Staff Surveys;
- Internal audits of effectiveness of systems of internal control;
- Business Investment Group – check and challenge panel to understand the implications of any investment from a financial, use of resources and impact on patient experience/safety prior to submission to Executive Committee;
- Transformation Board – weekly review of the Cost Improvement Programmes and the Quality Impact Assessments;
- regular reporting to the Board on key performance indicators including finance, operational performance, quality indicators and workforce targets;
- monthly scrutiny and challenge of financial, operational and quality targets by the Finance & Investment Committee, the Performance, People & Place Committee and the Quality & Governance Committee;
- monthly reporting to the Executive Committee on directorate and Trust performance;
- monthly monitoring and reporting within Directorates which feeds into Divisional Performance Meetings, to the Executive Committee and up to the Board;
- quarterly meetings with CQC relationship managers; and
- regular reporting to NHS Improvement through performance review meetings and regular dialogue with relationship managers.

Information Governance

NHS Digital has published assessment criteria and reporting guidelines for personal data breaches which are defined as any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to personal data transmitted, stored or otherwise processed. This can include incidents that prevent access to, destruction of, or modification to the Trust's data. Such events are termed Data Security and Protection Incidents.

Trusts are required to take a risk-based approach which will determine the likelihood that adverse effect has occurred and the potential severity of the adverse effect that the incident has had on individuals. Any comparison with figures published in earlier years is therefore to be treated with considerable care.

There are three types of breaches:

- (a) **Confidentiality** – unauthorised or accidental disclosure of or access to personal data;
- (b) **Availability** - unauthorised access to or destruction of personal data, or data is unavailable or cannot be accessed;
- (c) **Integrity** - unauthorised or accidental alteration of personal data.

During 2019/20 there were a total of **61** such incidents, which were classified as follows:

Summary of data security and protection incidents in 2019/20		
	Breach type	
A	Confidentiality	46
B	Availability	12
C	Integrity	3
	Total	61

Notifiable breaches are those that are likely to result in a high risk to the rights and freedoms of the individual (data subject). During 2019/20 the Trust has reported three incidents via the Data Security and Protection Toolkit incident reporting tool which have been notified to the Information Commissioner's Office, these are as follows:

Month of Incident	Nature of Incident	Number affected	How data subjects were informed	Lessons learned
Apr 2019	Address of foster carers included in a letter to a patient's birth parents	3 (patient and foster parents)	Social Services were in contact with the foster family	Letter templates for Looked After Children are now generic i.e. no named recipients or addresses. They are sent to Social Services who distribute them to the relevant parties. The CC list is restricted to professionals such as the GP.
May 2019	Verbal disclosure of information to a patient's family member by an agency doctor	1	Verbally informed. Doctor apologised to the patient	Private rooms (or areas where privacy can be respected) must be used. Patient consent must be sought to share data with family. The locum starters pack to have a specific reference for the PALs team.
Sept 2019	Inappropriate access to patient records held in an electronic system.	5	Not informed	Information regarding the consequences of accessing records inappropriately has been disseminated to all staff via policies and information governance training materials. The member of staff had to click to acknowledge a confidentiality reminder to access the system.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, clinical audit and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit, Risk and Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The processes that have been applied in maintaining and reviewing the effectiveness of the system of internal control include the following: -

Process Role and Conclusions

- Board - The Board leads the organisation throughout the year with regular reporting on finance, operational and quality performance and workforce. It receives minutes of Committees,

with concerns and issues escalated by the Committee Chairs either verbally when the minutes are presented or through the Chair's reports to the Board in public.

The Board has a forward plan which supports ensuring that the Board considers progress on Trust business in a planned way, such as bi-annual updates on strategies which underpin the Trust's Vision and quarterly updates on other matters such as workforce.

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| Audit, Risk and Assurance Committee | - The Committee provides scrutiny of internal controls, including the review and challenge of the Board Assurance Framework and Risk. |
| Internal audits | - Internal audits are carried out which look at the effectiveness of systems of internal control. Audit findings are presented to the Audit, Risk and Assurance Committee and the Board through the Audit, Risk and Assurance Committee minutes.
A programme of internal audits is agreed each year having regard to the key risks to achieving the Trust's strategic objectives. The Board Assurance Framework informs the Audit Plan. |
| Clinical audits | - Clinical Audit is a key component of clinical governance and it aims to promote patient safety, patient experience and to improve effectiveness of care provided to patients. The Trust is compliant with the Trust Clinical Audit plan. The NICE lead is responsible for actively disseminating and monitoring NICE compliance. Progress with the clinical audit programme is reported to a Patient Quality Committee each month and highlights are included in the Quality Report considered by the Board. |
| Other Committees | - A number of Board Committees have been established with a clear timetable of meetings and forward plans in place to ensure that the Committees seeks assurance on behalf of the Board that all areas of business within their remit are being managed effectively. |

Terms of reference for each Board Committee are refreshed each year to ensure on-going effectiveness and to ensure that an appropriate level of delegation and reference back to the Board is in place. There are three main Committees to scrutinise and challenge Trust performance as well as an audit committee looking at systems, controls and processes.

During 2019/20 Chairs of the Committees reported to the Board on the work of the Committees in the public part of the agenda with a focus on providing a Non-Executive Director perspective of the issues discussed, including key areas for focus, challenges and risks. These reports are in addition to any other reports which would normally be reported to the Board (such as the Finance Report or the Quality Report) and in addition to the minutes of the Committee meetings. Furthermore, reports to Committees and the Board include Executive Director summaries of areas for attention.

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| Board Assurance Framework / Risk Management | - The Board Assurance Framework (BAF) provides a structure and process that enables the Trust to focus on those risks which might compromise the achievement of the Trust strategic objectives and to identify and record the controls in place to mitigate any risk identified. The Audit, Risk and Assurance Committee scrutinises the BAF at least three times per year to confirm to the Board that the systems and processes in place for the management of risks are effective. |
|---|---|

Strategic risks are aligned to priorities and strategic objectives are mapped against the Care Quality Commission's (CQC) Key Lines of Enquiry and NHS Improvements quality domains under their Well Led Framework. Sources of assurance have been identified, with metrics added which reflect the Single Oversight Framework, the latest NHS Improvement guidance on Use of Resources and the latest CQC Well Led guidance. A formal programme of reporting is established whereby the Board Committees seek assurance on behalf of the Board on a quarterly basis that processes and systems are in place to mitigate risks. The Committees consider the sources of assurance and risks within their remit and provide a risk rating on the strategic risks. The BAF informs the Committees'

forward plan and the audit plan. The BAF enables oversight of trends, showing whether metrics are improving or deteriorating on a quarterly basis. The BAF has been instrumental in “predicting” future risks, notably around stroke and cancer performance.

The latest internal audit review of the Board Assurance Framework and risk management processes provided “substantial” assurance without recommendations (Mar-17). The audit found that the BAF was embedded in the governance structure of the Trust and is maintained as a “live” document.

Care Quality Commission (CQC) standards / CQC Inspection Report	- The Trust monitors compliance with Care Quality Commission (CQC) standards through mini visits across the Trust. Areas for improvement are identified and led by the areas inspected. The Trust's Compliance Manager works with leads to help them better understand the requirements of the Regulations and the key lines of enquiry which form part of the CQC assessment framework. The CQC undertook a formal inspection in Sep-18. The outcome was that the Trust's overall rating remains “requires improvement” but improvement across a number of areas was recognised, notably in Children's and Young People Services and Outpatient Services. A number of must and should do actions were highlighted in the CQC report and these are being progressed by core service leads.
Reporting to NHS Improvement	- Throughout 2019/20 the Trust continued to have performance review meetings with NHS Improvement focused on delivering improvements to financial governance and performance but also to focus on operational performance.
Well Led Governance Review	During 2019/20 the Trust commissioned PricewaterhouseCoopers (PwC) to undertake an independent review of the leadership and governance arrangements at the Trust. The Trust was inspected by the CQC in September 2018 and the overall finding was that the Trust is “Good” under the well led domain.

The Trust will continue to review all risks and where necessary will take appropriate actions to either reduce or eliminate these. Actions taken will be monitored through the appropriate Committees of the Board, and where necessary the Chair of the Committee will escalate concerns to Board.

Conclusion

No significant internal control issues have been identified in the body of the Annual Governance Statement. My review confirms that Great Western Hospitals NHS Foundation Trust has generally sound systems on internal control that supports the achievement of its policies, aims and objectives.

Signed



Kevin McNamara
Chief Executive
19 June 2020

2.8 Voluntary Disclosures

Equality reporting

Section 54 of the Modern Slavery Act 2015 requires commercial organisations carrying out business in the UK, with a turnover of at least £36 million, to prepare and publish a slavery and human trafficking statement for each and every financial year

The Trust adheres to this Slavery and Human Trafficking Statement 2019/20 for the prohibition of any human trafficking and exploitation.

Slavery and Human Trafficking Statement 2019/20

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps the Trust has taken to ensure that human trafficking and exploitation is not taking place in our supply chains or in any part of our business.

Supply chain overview

The Trust is committed to supporting NHS Supply Chain and NHS Category Towers where possible. This ensures the Trust is ordering from vetted suppliers for the majority of its spend.

Supply chain due diligence processes

All suppliers working with NHS Supply Chain sign up to the NHS Supplier Code of Conduct. The supplier should support the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice.

Policies

The Trust has a number of policies relevant to exploitation and human trafficking and exploitation and has joint guidance for services run in partnership with other providers, such as Swindon Community Services. Our Safeguarding Adults at Risk and Child Protection policy have sections and guidance on trafficking and our HR processes mandate recruitment checks to ensure pre-employment suitability and Disclosure and Barring compliance where appropriate.

The majority of our healthcare provision is through direct contact with clinical staff. Our HR processes and professional registration requirements provide the checks to ensure that our workforce is compliant. Areas of greater risk would include supply chains of certain products and equipment. When procuring suppliers the Trust procurement process requires evidence of measures taken in line with the prohibition of human trafficking and exploitation.

Training

All clinical staff receive safeguarding training appropriate to their role, which includes training about human trafficking and exploitation and complies with the Adult Safeguarding intercollege document (2018) competency requirements. Our safeguarding team receive specialist training and act as a resource to the workforce on any human trafficking and exploitation concerns.

The effectiveness of approach

The Trust monitor each clinical area against the requirement to train staff in all aspects of safeguarding training appropriate to the clinical environment, and compliance is monitored through Divisional Boards. .



Independent auditor's report

to the Council of Governors of Great Western Hospitals NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

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

In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care (DHSC) Group Accounting Manual 2019/20.

Basis for opinion

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

Overview

Materiality: £6.5 million (2019:£6.3 million)
Group financial statements as a whole 1.8% (2019: 1.9%) of income from operations

Risks of material misstatement vs 2019

Recurring risks	Valuation of land and buildings	▲
	Recognition of NHS and Non-NHS Income	◀▶
	Recognition of Non-Pay and Non-Depreciation Expenditure	◀▶

Key

- ◀▶ Risk level unchanged from prior year
- ▲ Increased risk in the year

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We continued to perform procedures over going concern. However, due to changes in the NHS cash regime we no longer consider there to be a material uncertainty related to going concern and this is not separately identified as a key audit matter in our report this year. We summarise below the other key audit matters in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Groups governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

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

	The risk	Our response
<p>Valuation of land and buildings</p> <p>£184.1 million; 2019: £181.8 million)</p> <p><i>Refer to page 90 (Audit Committee Report), page 145 (accounting policy) and page 166 (financial disclosures)</i></p>	<p>Subjective valuation</p> <p>Land and buildings are required to be held at current value in existing use. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'. [X]% of the Groups land and buildings related to specialised</p> <p>When considering the cost to build a replacement asset the Group may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.</p> <p>Valuation is completed by an external expert, engaged by the Group using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods.</p> <p>The Group had a full valuation undertaken by an external valuer at 31 March 2020. Valuations are inherently judgemental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, were appropriate and correctly applied.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>Disclosure of Sensitivity</p> <p>Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note the uncertainty and the sensitivity of the estimates and judgements applied in the valuation of land and buildings. The financial statements (note 1.30.1) disclose the sensitivity estimated by the Trust.</p> <p>Accounting treatment</p> <p>Consideration is also required as to whether revaluation gains and impairment losses are processed through other operating income/expense, or recognised in other comprehensive income. This treatment could have significant impact on the reported deficit for the year.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Assessing valuer's credentials: We considered the scope, qualifications and experience of the valuer, to identify whether the valuer was appropriately experienced and qualified to provide relevant indices; — Methodology choice: We considered the overall methodology of the external valuation performed to identify whether the approach was in line with industry practice, assisted by our Estate Valuation specialist; — Benchmarking assumptions: We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms and utilising our Estate Valuation specialist; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We tested the completeness of the estate covered by the valuation to the Group's underlying estate records, including additions to land and buildings during the year; — We re-performed the calculation of gain or loss on revaluation for all applicable assets and checked whether the accounting entries were consistent with the DHSC Group Accounting Manual; and — For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Group would receive future benefits. — Assessing transparency: We assessed the completeness and accuracy of the matters covered in the valuations disclosure, including the group's disclosures of the sensitivity of the valuation. <p>Our findings</p> <p>We found the resulting valuation of land and buildings to be balanced (2018/19: balanced).</p>

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

	The risk	Our response
<p>Recognition of NHS and Non-NHS Income</p> <p>£353.3 million; 2019: £335.4 million)</p> <p><i>Refer to page 90 (Audit Committee Report), page 143 (accounting policy) and page 157 (financial disclosures)</i></p>	<p>Effects of Irregularities</p> <p>Of the Group's reported total income, £320.9 million (2019: £297.3 million) came from commissioners (Clinical Commissioning Groups (CCG), other NHS Bodies and NHS England). Income from CCGs, other NHS Bodies and NHS England make up 97% of the Group's income. The majority of this income is contracted on an annual basis, however actual income is based on completing actual levels of activity completed during the year.</p> <p>An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are produced setting out discrepancies between the submitted balances and transactions between each party, with variances over £300,000 being required to be reported to the National Audit Office to inform the audit of the DHSC consolidated accounts.</p> <p>The Group reported total other income of £32.4 million (2019: £38.1 million) from other activities principally, private patient income and education and training. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on achieving financial targets, varied payment terms, including payment on delivery, milestone payments and periodic payments. The amount also includes £5.0million (2019: £11.1 million) Provider Sustainability Funding (PSF) and Marginal Rate Emergency Tariff Funding (MRET) received from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis.</p> <p>As such there is a fraudulent risk of revenue recognition over both NHS and Non-NHS income.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Control observations: We tested the design and operation of process level controls over revenue recognition; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We agreed commissioner income to the signed contracts and selected a sample of the largest balances (comprising 88% of income from patient care activities) to the supporting invoice and payments to the bank receipts; — We inspected invoices for material income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; — We inspected confirmations of balances provided by the DHSC as part of the AoB exercise and compared the relevant income recorded in the Group's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Group's approach to recognising income; — We assessed the judgements made to received the transformation funding recorded in the financial statements as part of the Group's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHSI; and — We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. <p>Our findings</p> <p>We found the resulting recognition of NHS and non-NHS income to be balanced (2018/19: balanced).</p>

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

	The risk	Our response
<p>Recognition of Non-Pay and Non-Depreciation Expenditure</p> <p>£107.4 million; 2019: £102.3 million)</p> <p><i>Refer to page 90 (Audit Committee Report), page 144 (accounting policy) and page 159 (financial disclosures)</i></p>	<p>Effects of Irregularities:</p> <p>As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Group may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures.</p> <p>The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay expenditure at the year-end.</p> <p>There may therefore be an incentive to defer non-pay expenditure or recognise commitments at a reduced value in order to achieve financial targets.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Control observations: We tested the design and operation of process level controls over expenditure approval; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; — We inspected invoices for material expenditure in the month prior to and following 31 March 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance; and — We inspected confirmations of balances provided by the DHSC as part of the AoB exercise and compared the relevant payables recorded in the Group's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Group's approach to recognising expenditure with other providers and other bodies within the AoB boundary. <p>Our findings</p> <p>We found the resulting recognition of non-pay expenditure to be balanced (2018/19: balanced).</p>

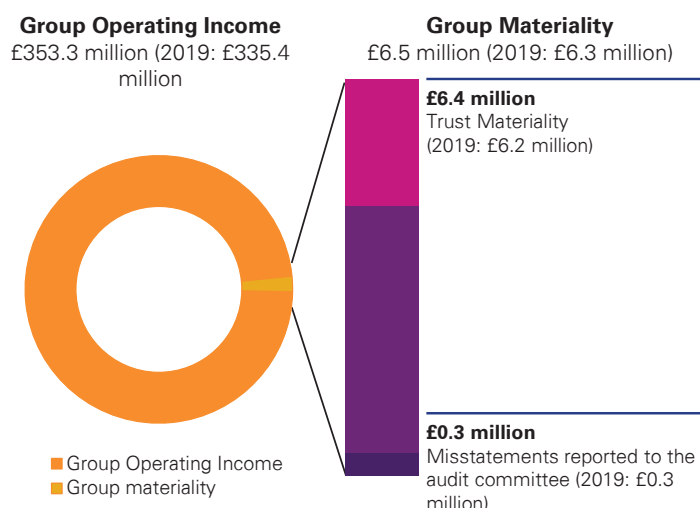
3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £6.5 million (2019: £6.3 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.8% (2019: 1.9%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £6.4 million (2019: £6.2 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.8% (2019: 1.9%)).

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

Of the group's two reporting components, we subjected both to full scope audits for group purposes.



4. We have nothing to report on going concern

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

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

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit and COVID-19, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Trust's available financial resources over this period was the availability and extent of temporary revenue and capital support from DHSC to enable them to meet their liabilities. This is in the context of changes to the cash and capital regime published by DHSC in April 2020 alongside revised arrangements for NHS contracting and payment applicable for part of the 2020/21 financial year and published in March and May 2020.

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

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

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

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

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

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

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

Remuneration report

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

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 96 the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

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

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

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

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

Qualified conclusion

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

Basis for qualified conclusion

As at 31 March 2020 the Group has reported a £16.0 million underlying deficit against a control total deficit of £11.5 million. This position was supported by marginal relief emergency tariff funding of £4.7m throughout the year. During the period, the Group also required additional revenue support in the form of loans of £26.3 million.

Whilst the Group continues to follow the NHS Improvement planning guidance and is currently receiving funding to support a break even position due to Covid-19, there is no clear long-term plans to achieve a break-even position in the foreseeable future.

This demonstrates weaknesses in the Group's arrangements to plan its finances effectively to support the sustainable delivery of its strategic priorities and maintain its statutory functions.

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

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

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

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

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

[Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources](#)

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

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

The significant risk identified during our risk assessment is set out on the next page with the findings from the work we carried out.

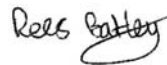
Significant Risk	Description	Work carried out and judgements
Financial sustainability	<p>Whilst the context of the financial challenges within the NHS is noted, the deficit presents a significant risk to our assessment of the adequacy of arrangements in place at the Group specifically in relation to planning finances effectively</p> <p>The Group continues to operate with an underlying deficit, with no medium term plans to returned to a break even position, and is reliant on DHSC loans to support the cash position.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> — Considering the nature of cash support the Group is receiving from NHSI and its performance against any conditions attached to the support. — Assessing the Group's arrangements for managing working capital, including the processes for forecasting and monitoring cash flows and delivering cash savings. — Considering the arrangements in place to deliver recurrent cost improvements by assessing the Group CIP delivery against the planned CIP target and the use of recurrent and non-recurrent savings. — Comparing the Group use of agency staff against the agency cap set by NHS Improvement. — Evaluating the Group position as at 31 March 2020 against the forecast position and considering the future financial plans to assess the ongoing financial sustainability. <p>Our findings on this risk area:</p> <ul style="list-style-type: none"> — As at 31 March 2020 the Group has reported a £16.0 million underlying deficit excluding PSF against a control total deficit of £11.5 million. This position was supported by marginal relief emergency tariff funding of £4.7m received during the year. — The cash balance at year end was £9.1 million, which was £8.1 million higher than plan. The Group cash position is supported by £26.3 million of additional loans during 2019/20. As at 31 March 2020 the Group had total revenue support loans of £67.9 million. — The Group delivered £8.0 million of the £9.1 million Cost Improvement Plans for 2019/20, of which £6.3 million are recurrent savings. The initial plan for 2020/21 includes a CIP of £10.4 million, of which £5.1 million had been identified. — The Group incurred £12.2 million of agency expenditure against an agreed agency cap of £8.0 million. <p>These findings demonstrated weaknesses in the Groups arrangements to plan its finances effectively to support the sustainable delivery of its strategic priorities and maintain its statutory functions.</p>

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Great Western Hospitals NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Rees Batley
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square, Bristol, BS1 4BE
23 June 2020

4.Other

Glossary of Terms

Abbreviation	Definition
A&E	Accident & Emergency
AHSN	Academic Health Science Network
AKI	Acute Kidney Injury
ANTT	Aseptic non-touch technique
ACO	Accountable Care Organisation
AO	Accounting Officer
BARS	Blood Audit and Release System
BSW	Bath and North East Somerset, Swindon and Wiltshire
C.diff	Clostridium Difficile - Bacteria naturally present in the gut
CAUTIs	Catheter Associated Urinary Tract Infections
CCG	Clinical Commissioning Groups
CETV	Cash Equivalent Transfer Value
CLRN	Comprehensive Local Research Network
CNST	Clinical Negligence Scheme for Trusts
CO ₂ e	Carbon Dioxide Equivalent (standard unit for measuring carbon footprint)
COPD	Chronic Obstructive Pulmonary Disease
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation Payment
Crescendo	An NHS IT system
CUSUM	Cumulative Sum Control Chart
D&O	Diagnostics & Outpatients
DNA – CPR	Do Not Attempt – Cardiopulmonary Resuscitation
DNAR	Do Not Attempt Resuscitation
DTOC	Delayed Transfer of Care
DOC	Duty of Candour
DVT	Deep Vein Thrombosis
E&D	Equality & Diversity
ED	Emergency Department
EDD	Estimated Date of Discharge
EDS	Equality Delivery System
EPF	Employee Partnership Forum
EPMA	Electronic Prescribing and Medicines Administration

Abbreviation	Definition
FFT	Friends and Family Test
GWH	Great Western Hospitals NHS Foundation Trust
HAT	Hospital Acquired Thrombosis
HCAI	Healthcare Associated Infections
HDU	High Dependency Unit
HMIP	Her Majesty's Inspector of Prisons
HPA	Health Protection Agency – now NHS England
HSCA	Health & Social Care Act
HSCIC	Health & Social Care Information Centre
HSMR	Hospital Standardised Mortality Rates
ICHD	Integrated Community Health Division
ICS	Integrated Care System
IP&C	Infection, Prevention & Control
JACIE	Joint Accreditation Committee
KLOE	Key Lines of Enquiry
LAMU	Linnet Acute Medical Unit
LCRN	Local Clinical Research Network
LQAF	Library Quality Assurance Framework
LSCB	Local Safeguarding Children's Board
MCQOC	Matrons Care Quality Operational Group
MFF	Market Factor Forces
MHRA	Medicines and Healthcare products Regulatory Agency (MHRA)
MIU	Minor Injuries Unit
MRSA or MRSAB	Methicillin-Resistant Staphylococcus Aureus Bacteraemia - a common skin bacterium that is resistant to a range of antibiotics
MUST	Malnutrition Universal Screening Tool
NEWS	National Early Warning System
NHS	National Health Service
NPSA	National Patient Safety Agency
NBM	Nil by mouth
NED	Non-Executive Director
NEWS	National Early Warning System
NHS	National Health Service
NHSG	Nutrition & Hydration Steering Group
NHSI	NHS Improvement
NHSLA	National Health Service Litigation Authority
NICE	National Institute for Clinical Excellence
NPSA	National Patient Safety Agency
NRLSA	National Reporting & Learning System Agency

Abbreviation	Definition
PALS	Patient Advice & Liaison Service (Now Customer Services)
PAW	Princess Anne Wing (Maternity Department in the Royal United Hospital)
PbR	Payment by Results
PCR	Polymerase chain reaction (a method of analysing a short sequence of DNA or RNA)
PDSA	Plan, Do, Study, Act
PE	Pulmonary Embolism
PEAT	Patient Environment Action Teams
PLACE	Patient Led Assessment of the Care Environment
POPPI	Projecting Older People Population Information
PROMS	Patient Recorded Outcome Measures
PSF	Provider Sustainability Fund
PSQC/PSC	Patient Safety & Quality Committee – now the Patient Safety Committee
PU	Pressure Ulcers
PURAT	Pressure Ulcer Risk Assessment Tool
QI	Quality Improvement
RAP	Remedial Action Plan
R&D	Research & Development
RCA	Root Cause Analysis
RCM	Regulatory Control Manager
RCOG	Royal College of Gynaecologists
REACT	Rapid Effective Assistance for Children
RR	Relative Risk
RTT	Referral to Treatment
SAFE	Stratification and Avoidance of Falls in the Environment
SAFER	Patient Flow Bundle
SBAR	Situation, Background, Assessment, Recommendation
SFIs	Standing Financial Instructions
SHMI	Summary Hospital Level Mortality Indicator
SHOUT	Sepsis, Hypovolemia, Obstruction, Urine Analysis, Toxins
SMART	Smart, Measureable, Attainable,, Realistic, Timely
SOPs	Standard Operating Procedures
SOS	Swindon Outreach Scoring System
SSKIN	Surface Skin Keep Moving Incontinence Nutrition
SSNAP	Sentinel Stroke National Audit Programme
STEIS	Strategic Executive Information System
SWICC	South West Intermediate Care Centre
STP	Sustainability & Transformation Partnership
TEP	Treatment Escalation Plan
TV	Tissue Viability

Abbreviation	Definition
TVNC	Tissue Viability Nurse Consultant
TVSNs	Tissue Viability Specialist Nurses
UTI	Urinary Tract Infection
VAP	Ventilated Acquired Pneumonia
VTE	Venous Thromboembolism
WCH	Wiltshire Community Health (New joint venture 2016 to provide community services)
WCHS	Wiltshire Community Health Service
WHO	World Health Authority
WRES	Workforce Race Equality Standard

5. Foreword to the Accounts

Foreword to the accounts for the year ending 31 March 2020

These accounts, for the year ended 31 March 2020, have been prepared by Great Western Hospitals NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'K McNamara', is positioned above the printed name.

Kevin McNamara
Chief Executive
19 June 2020

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	317,580	297,332	317,580	297,332
Other operating income	4	32,449	38,110	31,984	36,872
Operating expenses	6, 7	(350,018)	(320,131)	(349,397)	(319,667)
Operating surplus from continuing operations		11	15,311	167	14,537
Finance income	10	136	103	128	68
Finance expenses	11	(15,206)	(14,870)	(15,206)	(14,870)
PDC dividends payable		(789)	(1,036)	(789)	(1,036)
Net finance costs		(15,859)	(15,803)	(15,867)	(15,838)
Other gains	12	14	40	14	-
(Deficit) for the year		(15,834)	(452)	(15,686)	(1,301)
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Revaluations	14	1,761	9,780	1,761	9,780
Share of comprehensive income from associates and joint ventures	15	10	-	-	-
Other reserve movements		12	-	-	-
Total comprehensive (expense) / income for the period		(14,051)	9,328	(13,925)	8,479
(Deficit) for the period attributable to:					
Great Western Hospitals NHS Foundation Trust		(15,834)	(452)	(15,686)	(1,301)
TOTAL		(15,834)	(452)	(15,686)	(1,301)
Total comprehensive income/ (expense) for the period attributable to:					
Great Western Hospitals NHS Foundation Trust		(14,051)	9,328	(13,925)	8,479
TOTAL		(14,051)	9,328	(13,925)	8,479

All activities are from continuing operations.

Statements of Financial Position

		Group		Trust	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	13	3,447	2,595	3,447	2,595
Property, plant and equipment	14	206,058	199,164	206,058	199,164
Investments in associates and joint ventures	15	10	-	10	-
Other investments / financial assets		-	20	-	-
Receivables	18	612	-	612	-
Total non-current assets		210,127	201,779	210,127	201,759
Current assets					
Inventories	17	5,554	5,631	5,554	5,631
Receivables	18	32,015	34,482	31,990	34,471
Cash and cash equivalents	19	12,610	8,768	9,140	5,207
Total current assets		50,179	48,881	46,684	45,309
Current liabilities					
Trade and other payables	20	(38,435)	(34,228)	(38,305)	(34,137)
Borrowings	22	(69,944)	(11,698)	(69,944)	(11,698)
Provisions	23	(155)	(149)	(155)	(149)
Other liabilities	21	(2,710)	(2,697)	(2,710)	(2,697)
Total current liabilities		(111,244)	(48,772)	(111,114)	(48,681)
Total assets less current liabilities		149,062	201,888	145,697	198,387
Non-current liabilities					
Borrowings	22	(101,126)	(141,693)	(101,126)	(141,693)
Provisions	23	(1,431)	(1,316)	(1,431)	(1,316)
Other liabilities	21	(904)	(1,018)	(904)	(1,018)
Total non-current liabilities		(103,461)	(144,027)	(103,461)	(144,027)
Total assets employed		45,601	57,861	42,236	54,360
Financed by					
Public dividend capital		34,556	32,765	34,556	32,765
Revaluation reserve		38,697	36,936	38,697	36,936
Income and expenditure reserve		(31,017)	(15,341)	(31,017)	(15,341)
Charitable fund reserves	16	3,365	3,501		
Total taxpayers' equity		45,601	57,861	42,236	54,360

The notes on pages 141 to 181 form part of these accounts.

Signed



Kevin McNamara
Chief Executive
19 June 2020

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	32,765	36,936	(15,341)	3,501	57,861
(Deficit) for the year	-	-	(15,686)	(148)	(15,834)
Revaluations	-	1,761	-	-	1,761
Share of comprehensive income from associates and joint ventures	-	-	10	-	10
Public dividend capital received	1,791	-	-	-	1,791
Other reserve movements	-	-	-	12	12
Taxpayers' and others' equity at 31 March 2020	34,556	38,697	(31,017)	3,365	45,601

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	31,520	27,156	(14,040)	2,652	47,288
Surplus/(deficit) for the year	-	-	(1,301)	849	(452)
Revaluations	-	9,780	-	-	9,780
Public dividend capital received	1,245	-	-	-	1,245
Taxpayers' and others' equity at 31 March 2019	32,765	36,936	(15,341)	3,501	57,861

The notes on pages 141 to 181 form part of these accounts.

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 16.

Statements of Cash Flows

	Note	Group		Trust	
		2019/20	2018/19	2019/20	2018/19
		£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		11	15,311	167	14,537
Non-cash income and expense:					
Depreciation and amortisation	6	7,648	7,055	7,648	7,055
Decrease / (increase) in receivables and other assets		2,211	(4,904)	2,211	(4,904)
Decrease / (increase) in inventories		77	(120)	77	(120)
Increase / (decrease) in payables and other liabilities		1,904	(1,971)	1,904	(1,971)
Increase in provisions		124	89	124	89
Movements in charitable fund working capital		37	43	-	-
Other movements in operating cash flows		8	42	-	7
Net cash flows from / (used in) operating activities		12,020	15,545	12,131	14,693
Cash flows from investing activities					
Interest received		128	68	128	68
Purchase of intangible assets		(1,251)	(1,158)	(1,251)	(1,158)
Purchase of PPE and investment property		(9,875)	(6,592)	(9,875)	(6,592)
Sales of PPE and investment property		13	-	13	-
Net cash flows from charitable fund investing activities		20	869	-	-
Net cash flows (used in) investing activities		(10,965)	(6,813)	(10,985)	(7,682)
Cash flows from financing activities					
Public dividend capital received		1,791	1,245	1,791	1,245
Movement on loans from DHSC		23,057	15,549	23,057	15,549
Capital element of finance lease rental payments		(90)	(142)	(90)	(142)
Capital element of PFI, LIFT and other service concession payments		(5,370)	(4,521)	(5,370)	(4,521)
Interest on loans		(781)	(568)	(781)	(568)
Other interest		(31)	(9)	(31)	(9)
Interest paid on finance lease liabilities		(35)	(36)	(35)	(36)
Interest paid on PFI, LIFT and other service concession obligations		(14,278)	(14,206)	(14,278)	(14,206)
PDC dividend (paid) / refunded		(1,476)	(493)	(1,476)	(493)
Net cash flows from / (used in) financing activities		2,787	(3,181)	2,787	(3,181)
Increase / (decrease) in cash and cash equivalents		3,842	5,551	3,933	3,830
Cash and cash equivalents at 1 April - brought forward		8,768	3,217	5,207	1,377
Cash and cash equivalents at 31 March	19	12,610	8,768	9,140	5,207
		(0)	(0)	(0)	-

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Foundation 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

Accounting convention

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

Note 1.2 Going concern

The NHS Foundation Trust Annual Reporting Manual 2019/20 states that financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

It should be disclosed if there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

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. The affected loans totalling £62,015k are classified as current liabilities within these financial statements and result in Net Current Liabilities of £64,430k. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Foundation Trust.

The Foundation Trust submitted its draft plan to NHS I on 5 March 2020, following approval by the Board. The draft plan sets out a deficit position of £24,619k for the year ending 31 March 2021. Plans for 2020/21 were not formally agreed with DHSC due to the advent of Covid-19, and therefore central funding requirements to support the deficit were not confirmed. The plans we submitted were superseded by the financial arrangements for Covid-19, which include nationally devised contracts for the period to 31st October 2020. This national approach provides assurance of sufficient income to meet all operating costs in the period. Further, the Directors have a reasonable expectation that any shortfall in earned income over expenditure for the remainder of the year will be met in the form of revenue support from DHSC. Whilst historically such support has been in the form of loans, following the announcement that all existing loans will be repaid using the issue of PDC, the Trusts expects future support to be via PDC if required. At balance sheet date the net current liabilities position was £64,430k and the total assets employed of £42,236k. Following conversion of the loans to PDC this position will be net current liabilities of £2,415k and total assets employed of £42,236k. 2020/21 taking into account a reversion to plan from November. This results in a deficit of £9,697k, and the Trust expects to receive cash support, if required, in the form of Financial Recovery Funding (FRF) or additional PDC to meet that deficit.

After making enquiries on budgeting, capital and cash requirements, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason the Trust continues to adopt the going concern basis in preparing its Annual Accounts.

Note 1.3 Consolidation

NHS Charitable Funds

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

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

- recognise and measure them in accordance with the Foundation Trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

The key accounting policy for the Charity is in relation to investments. The corporate trustee has determined the investment policy to, in so far as is reasonable, avoid undue risk to the real value of the capital and income of the portfolio, after allowing for inflation so the investments are held at fair value. The investment policy, also requires that all monies not required to fund working capital should be invested to maximise income and growth.

Joint ventures

Joint ventures are arrangements in which the Foundation Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The Foundation Trust entered a Joint Venture Arrangement, Wiltshire Health & Care LLP, with Royal United Hospital Bath NHS FT and Salisbury NHS FT on 1st July 2016. All profits or losses are shared equally between the three Trusts. No initial consideration was paid for the share of this investment.

1.4 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

Note 1.5 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Foundation Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Foundation Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Foundation Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time. The Foundation Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

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

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Foundation Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Foundation 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 Foundation Trust recognises the income when performance obligations have been satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

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

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

Note 1.6 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.7 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Foundation 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 Foundation Trust commits itself to the retirement, regardless of the method of payment.

Director Benefits

Directors received no other benefits such as advances, credits or guarantees.

National Employment Savings Trust (NEST)

As part of the Government's pension reform the Foundation Trust commenced auto-enrolment in July 2013. Staff not eligible to join the NHS pension scheme are automatically enrolled in NEST.

Note 1.8 Expenditure on other goods and services

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

Note 1.9 Discontinued operations

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

Note 1.10 Property, plant and equipment Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Land and property assets are valued every 5 years with a 3 yearly interim valuation also carried out. Annual impairment reviews are carried out in other years. The 3 and 5 yearly interim revaluations are carried out by a professionally qualified valuer in accordance with the Royal Chartered Institute of Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out on the basis of a Modern Equivalent Asset as required by HM Treasury. The annual reviews are carried out using the most appropriate information available at the date of the review.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use.

Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

A 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 uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Foundation Trust.

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

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

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

Depreciation

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

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

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.11 Private Finance Initiative (PFI)

PFI transactions that meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Foundation Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability.

The annual unitary payment is separated into the following component parts, using appropriate estimate techniques where necessary:

- payment for the fair value of services received
- repayment of the finance lease liability, including finance costs, and
- payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Note 1.11.1 Services Received

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

Note 1.11.2 PFI assets, liabilities and finance costs

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'finance costs' within the Statement of Comprehensive Income'.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

Note 1.11.3 Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Foundation Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and measured initially at cost.

The element of the annual unitary payment allocated to the lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Note 1.11.4 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	60
Dwellings	11	54
Plant & machinery	5	15
Transport equipment	-	1
Information technology	5	12
Furniture & fittings	5	10

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

Note 1.12 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where the following exist: the cost is at least £5,000; the technical feasibility of completing the intangible asset so that it will be available for use; the intention to complete the intangible asset and use it; the ability to sell or use the intangible asset; how the intangible asset will generate probable economic benefits or service potential; the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets

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

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

Software

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	1	5
Licences & trademarks	5	10

Note 1.13 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy stocks are valued at average cost, other inventories are valued on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods and services in intermediate stages of production.

Note 1.14 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 Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.15 Financial assets and financial liabilities

Note 1.15.1 Recognition

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

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Foundation 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.

Note 1.15.2 Classification and measurement

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

Financial assets are classified as subsequently measured at fair value through income and expenditure.

Financial liabilities are classified as subsequently measured at fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets and financial liabilities at fair value through income and expenditure

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

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets the Foundation Trust recognises an allowance for expected credit losses.

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

The Foundation Trust has identified three main classes of receivables: Overseas, Non-NHS and NHS. The Foundation Trust has recognised an impairment allowance for overseas and Non-NHS receivables based on past experience of what is likely to be collectable. There are no credit losses expected in relation to NHS. For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.15.3 Derecognition

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

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

Note 1.16 Leases

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

The Foundation Trust as a lessee

Finance leases

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

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

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

Operating leases

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

The Foundation Trust as a lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Foundation 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 Foundation Trust's net investment outstanding in respect of the leases.

Operating leases

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

Note 1.17 Provisions

The Foundation 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% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Foundation 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 29 but is not recognised in the Foundation Trust's accounts.

Non-clinical risk pooling

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

Note 1.18 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.

The Foundation Trust has no contingent assets or liabilities.

Note 1.19 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 Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated and grant funded assets,
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

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

Note 1.20 Value added tax

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

Note 1.21 Corporation tax

The NHS Foundation Trust does not have a corporation tax liability for the year 2019/20 (2018/19 £nil). Tax may be payable on activities as described below:

- the activity is not related to the provision of core healthcare as defined under Section 14(1) of the HSCA. Private healthcare falls under this legislation and is therefore not taxable.
- the activity is commercial in nature and competes with the private sector. In house trading activities are normally ancillary to the core healthcare objectives and are therefore not subject to tax.
- the activity must have annual profits of over £50,000.

Note 1.22 Third party assets

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

Note 1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.24 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.25 Transfers of functions to other NHS bodies

For functions that the Foundation Trust has transferred to NHS Property Services Ltd., the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.26 Pooled Budgets

The Foundation Trust has entered into a pooled budget arrangement with NHS Swindon and Swindon Borough Council [in accordance with section 75 of the NHS Act 2006]. Under the arrangement, funds are pooled for providing equipment to members of the community to assist with discharge from hospital. Note 34 provides details of the income and expenditure. The pool is hosted by Swindon Borough Council. The Foundation Trust accounts for its share of the assets, liabilities, income and expenditure arising from the pooled budget, identified in accordance with the pooled budget agreement.

Note 1.27 Operating Segments

Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used within the Foundation Trust.

Note 1.28 Early adoption of standards, amendments and interpretations

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

Note 1.29 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for 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 Foundation 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 Foundation 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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

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

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

Other standards, amendments and interpretations

IFRS 17 *Insurance Contracts* - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FRM. Early adoption is therefore not permitted.

Note 1.30 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 Foundation Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Note 1.30.1 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:

International accounting standard IAS1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of the evaluation is to consider whether there may be a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts. The following significant assumptions and areas of estimation and judgement have been considered in preparing these financial statements.

The value of land, buildings and dwellings is £184m. This is the most significant estimate in the accounts and is based on the professional judgement of the Foundation Trust's independent valuer with extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

Of the £184m net book value of land and buildings subject to valuation, £156m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Foundation 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.

A 3.5% change in the valuation would have a £6.5m impact on the statement of financial position with a £0.2m impact on the PDC dividend due to be paid next year and accrued in these financial statements

The Foundation Trust has considered the implications of IFRS 15 in relation to the determination of transaction price and the satisfaction of performance obligations over time. There are no material elements of Foundation Trust income that involve assumptions beyond existing transactional estimates.

Note 2 Operating Segments

The Trust's Board has determined that the Trust operates in four material segments which is Great Western Hospitals (GWH), Swindon Community Services, the NHS Charity and as of this financial year the Swindon Primary Care Network. During 2019/20 GWH took over management of two GP practices across five sites in Swindon.

2019-20

	GWH	Swindon Community Services	Charity	Primary Care	Total
	£'000	£'000	£'000		£'000
Operating Income					
NHS Clinical Income	280,203	21,021	0	2,320	303,544
Private Patients	4,220	0	0	1	4,221
Other Non Mandatory/Non Protected Revenue	10,005	0	0	0	10,005
Research & Development Income	648	0	0	0	648
Education and Training Income	11,113	0	0	0	11,113
Misc Other Operating Income	20,033	0	465	0	20,498
Total Income	326,222	21,021	465	2,321	350,029

2018-19

	GWH	Swindon Community Services	Charity	Primary Care	Total
	£'000	£'000	£'000	£'000	£'000
Operating Income					
NHS Clinical Income	270,097	19,205	0	0	289,302
Private Patients	3,975	0	0	0	3,975
Other Non Mandatory/Non Protected Revenue	1,409	0	0	0	1,409
Research & Development Income	690	0	0	0	690
Education and Training Income	10,715	0	0	0	10,715
Misc Other Operating Income	28,113	0	1,238	0	29,351
Total Income	314,999	19,205	1,238	0	335,442

NHS Charity is separately identifiable above.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.5

Note 3.1 Income from patient care activities (by nature)	2019/20	2018/19
	£000	£000
Elective income	41,197	41,742
Non elective income	100,965	85,555
First outpatient income	20,673	20,399
Follow up outpatient income	21,529	21,077
A & E income	13,314	12,490
costs)	29,949	27,446
Other NHS clinical income	49,018	58,050
Community services income from CCGs and NHS England	23,616	21,579
Income from other sources (e.g. local authorities)	987	922
Private patient income	4,221	3,975
Agenda for Change pay award central funding*	-	2,690
Additional pension contribution central funding**	8,528	-
Other clinical income	3,583	1,407
Total income from activities	317,580	297,332

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

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

Note 3.2 Income from patient care activities (by source)	2019/20	2018/19
	£000	£000
Income from patient care activities received from:		
NHS England	52,450	38,851
Clinical commissioning groups	254,968	246,205
Department of Health and Social Care	-	2,690
Other NHS providers	921	950
NHS other	122	95
Local authorities	3,324	3,329
Non-NHS: private patients	4,221	3,975
Non-NHS: overseas patients (chargeable to patient)	326	166
Injury cost recovery scheme	741	839
Non NHS: other	507	232
Total income from activities	317,580	297,332

All activities relate to continuing operations

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

	2019/20	2018/19
	£000	£000
Income recognised this year	326	166
Cash payments received in-year	168	84
Amounts added to provision for impairment of receivables	319	307
Amounts written off in-year	123	154

Note 4 Other operating income (Group)

	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	648	-	648	690	-	690
Education and training	10,604	509	11,113	10,311	404	10,715
Non-patient care services to other bodies	7,033	-	7,033	6,902	-	6,902
Provider sustainability fund (PSF)	327	-	327	11,089	-	11,089
Marginal rate emergency tariff funding (MRET)	4,712	-	4,712	-	-	-
Charitable fund incoming resources	-	465	465	-	1,238	1,238
Other income	8,133	18	8,151	7,476	-	7,476
Total other operating income	31,457	992	32,449	36,468	1,642	38,110

*Other contract income includes property rental, estates charges, car parking income and clinical excellence awards

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

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,697	2,579

Note 6.1 Operating expenses (Group)

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,074	2,641
Purchase of healthcare from non-NHS and non-DHSC bodies	1,407	298
Staff and executive directors costs	223,651	196,832
Remuneration of non-executive directors	155	148
Supplies and services - clinical (excluding drugs costs)	29,072	30,763
Supplies and services - general	2,637	2,509
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	34,102	31,814
Consultancy costs	1,224	800
Establishment	10,209	9,653
Premises	7,332	8,166
Transport (including patient travel)	912	837
Depreciation on property, plant and equipment	7,236	6,757
Amortisation on intangible assets	412	298
Movement in credit loss allowance: contract receivables / contract assets	559	156
Audit fees payable to the external auditor		
audit services- statutory audit	74	71
other auditor remuneration (external auditor only)	3	13
Internal audit costs	106	79
Clinical negligence	10,447	9,320
Legal fees	395	393
Insurance	33	31
Education and training	1,937	2,021
Rentals under operating leases	1,193	948
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LI	13,261	13,155
Hospitality	32	27
Losses, ex gratia & special payments	15	20
Other NHS charitable fund resources expended	618	460
Other	922	1,921
Total	350,018	320,131

Note 6.2 Other auditor remuneration (Group)

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	3	13
Total	3	13

Note 6.3 Limitation on auditor's liability (Group)

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

Note 7 Employee benefits (Group)

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	152,852	141,711
Social security costs	16,265	14,889
Apprenticeship levy	792	742
Employer's contributions to NHS pensions	28,132	18,135
Pension cost - other	89	66
Temporary staff (including agency)	25,521	21,289
Total gross staff costs	223,651	196,832

Note 7.1 Retirements due to ill-health (Group)

During 2019/20 there were 2 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £106k (£88k in 2018/19).

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

Included within employer's contributions to NHS pensions is £8.5m notional expenditure relating to the 6.3% additional employer contributions borne centrally giving a total contribution of 20.68% (2018/19 - 14.38%).

Note 8 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 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.

Note 9 Operating leases (Group)

Note 9.1 Great Western Hospitals NHS Foundation Trust as a lessee

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

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	1,193	948
Total	1,193	948
	31 March	31 March
	2020	2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	977	1,141
- later than one year and not later than five years;	1,689	1,829
- later than five years.	15	28
Total	2,681	2,998
Future minimum sublease payments to be received	-	-

Note 10 Finance income (Group)

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	128	68
NHS charitable fund investment income	8	35
Total finance income	136	103

Note 11.1 Finance expenditure (Group)

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	811	614
Finance leases	42	37
Interest on late payment of commercial debt	31	11
Main finance costs on PFI and LIFT schemes obligations	9,096	9,510
Contingent finance costs on PFI and LIFT scheme obligations	5,229	4,696
Total interest expense	15,209	14,868
Unwinding of discount on provisions	(3)	2
Total finance costs	15,206	14,870

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2019/20	2018/19
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	31	11

Note 12 Other gains (Group)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	14	-
Gains on disposal of charitable fund assets	-	39
Total gains on disposal of assets	14	39
Fair value gains on charitable fund investments & investment properties	-	1
Total other gains	14	40

Note 13.1 Intangible assets - 2019/20

Group and Trust	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Total £000
forward	3,715	2,818	319	6,852
Additions	336	-	915	1,251
Reclassifications	(426)	185	254	13
Disposals / derecognition	(1,481)	(2,014)	-	(3,495)
Valuation / gross cost at 31 March 2020	2,144	989	1,488	4,621
Amortisation at 1 April 2019 - brought forward	2,243	2,014	-	4,257
Provided during the year	288	124	-	412
Reclassifications	(371)	371	-	-
Disposals / derecognition	(1,481)	(2,014)	-	(3,495)
Amortisation at 31 March 2020	679	495	-	1,174
Net book value at 31 March 2020	1,465	494	1,488	3,447
Net book value at 1 April 2019	1,472	804	319	2,595

The Trust undertook an asset verification exercise as part of the implementation of a new asset register. All assets with a nil book value and that have been verified to be no longer owned by the Trust have been removed in both gross book value and accumulated depreciation. This has decreased the gross book value and accumulated amortisation of intangible assets by £3.5m.

Note 13.2 Intangible assets - 2018/19

Group and Trust	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	2,557	2,818	753	6,128
Valuation / gross cost at 1 April 2018 - restated	2,557	2,818	753	6,128
Additions	1,158	-	-	1,158
Reclassifications	-	-	(434)	(434)
Valuation / gross cost at 31 March 2019	3,715	2,818	319	6,852
Amortisation at 1 April 2018 - as previously stated	1,945	2,014	-	3,959
Amortisation at 1 April 2018 - restated	1,945	2,014	-	3,959
Provided during the year	298	-	-	298
Amortisation at 31 March 2019	2,243	2,014	-	4,257
Net book value at 31 March 2019	1,472	804	319	2,595
Net book value at 1 April 2018	612	804	753	2,169

Note 14.1 Property, plant and equipment - 2019/20

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019 - brought forward	24,900	166,171	3,200	2,402	42,954	58	22,235	3,413	265,333
Additions	-	4,657	-	4,977	1,401	-	1,361	-	12,396
Revaluations	150	(15,693)	300	-	-	-	-	-	(15,243)
Reclassifications	-	448	-	(581)	65	-	55	-	(13)
Disposals / derecognition	-	-	-	-	(29,203)	(58)	(11,700)	(3,249)	(44,210)
Valuation/gross cost at 31 March 2020	25,050	155,583	3,500	6,798	15,217	-	11,951	164	218,263
Accumulated depreciation at 1 April 2019 - brought forward	-	12,231	240	-	34,509	58	15,766	3,365	66,169
Provided during the year	-	4,453	80	-	1,286	-	1,422	(5)	7,236
Revaluations	-	(16,684)	(320)	-	-	-	-	-	(17,004)
Disposals / derecognition	-	-	-	-	(29,189)	(58)	(11,700)	(3,249)	(44,196)
Accumulated depreciation at 31 March 2020	-	-	-	-	6,606	-	5,488	111	12,205
Net book value at 31 March 2020	25,050	155,583	3,500	6,798	8,611	-	6,463	53	206,058
Net book value at 1 April 2019	24,900	153,940	2,960	2,402	8,445	-	6,469	48	199,164

The Trust carried out a full revaluation of building assets as at 31 March 2020. This has increased the asset base of land, buildings and dwellings by £1.8m. The Trust undertook an asset verification exercise as part of the implementation of a new asset register. All assets with a nil book value and that have been verified to be no longer owned by the Trust have been removed in both gross book value and accumulated depreciation. This has decreased the gross book value and accumulated depreciation of tangible assets by £44.2m.

Note 14.2 Property, plant and equipment - 2018/19

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	24,900	154,343	3,200	2,937	41,063	58	20,861	3,316	250,678
Additions	-	1,079	-	-	1,891	-	1,374	97	4,441
Revaluations	-	9,780	-	-	-	-	-	-	9,780
Reclassifications	-	969	-	(535)	-	-	-	-	434
Valuation/gross cost at 31 March 2019	24,900	166,171	3,200	2,402	42,954	58	22,235	3,413	265,333
Accumulated depreciation at 1 April 2018 - as previously stated	-	8,120	160	-	33,196	58	14,579	3,299	59,412
Provided during the year	-	4,111	80	-	1,313	-	1,187	66	6,757
Accumulated depreciation at 31 March 2019	-	12,231	240	-	34,509	58	15,766	3,365	66,169
Net book value at 31 March 2019	24,900	153,940	2,960	2,402	8,445	-	6,469	48	199,164
Net book value at 1 April 2018	24,900	146,223	3,040	2,937	7,867	-	6,282	17	191,266

Note 14.3 Property, plant and equipment financing - 2019/20

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	25,050	5,056	-	6,798	7,411	-	6,463	53	50,831
Finance leased	-	-	-	-	1,200	-	-	-	1,200
On-SoFP PFI contracts and other service concession arrangements	-	150,527	3,500	-	-	-	-	-	154,027
NBV total at 31 March 2020	25,050	155,583	3,500	6,798	8,611	-	6,463	53	206,058

Note 14.4 Property, plant and equipment financing - 2018/19

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	24,900	15,819	-	2,402	7,074	-	6,469	48	56,712
Finance leased	-	-	-	-	1,371	-	-	-	1,371
On-SoFP PFI contracts and other service concession arrangements	-	138,121	2,960	-	-	-	-	-	141,081
NBV total at 31 March 2019	24,900	153,940	2,960	2,402	8,445	-	6,469	48	199,164

Note 15 Joint Ventrue

Wiltshire Health & Care

During 2016-17 the Trust became a one third partner in Wiltshire Health and Care LLP. The other equal partners being Royal United Hospitals Bath NHS Foundation Trust and Salisbury NHS Foundation Trust. Wiltshire Health and Care is focused solely on delivering improved community services in Wiltshire, which GWH had previously been contracted to deliver, and enabling people to live independent and fulfilling lives for as long as possible. From 1 July 2016, Wiltshire Health and Care has contracted with GWH for the provision of these services.

GWH has not invested any capital sum in this partnership.

In 2019/20, Wiltshire Health and Care LLP reported a profit of £0.029m (2018/19: nil). One third of this has been recognised in our accounts.

Wiltshire Health and Care LLP are planning a break even position for 2020/21.

Note 16 Analysis of charitable fund reserves

	31 March 2020 £000	31 March 2019 £000
Unrestricted funds:		
Unrestricted income funds	148	114
Other restricted income funds	3,217	3,387
	<u>3,365</u>	<u>3,501</u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 17 Inventories

	Group	
	31 March 2020 £000	31 March 2019 £000
Drugs	1,011	805
Consumables	4,259	4,512
Energy	137	137
Other	147	177
Total inventories	<u>5,554</u>	<u>5,631</u>

Inventories recognised in expenses for the year were £66,567k (2018/19: £48,853k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 18.1 Receivables

	Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	19,927	23,734
Capital receivables	13	-
Allowance for impaired contract receivables / assets	(1,441)	(1,489)
Prepayments (non-PFI)	2,270	1,980
PFI lifecycle prepayments	10,180	10,246
PDC dividend receivable	395	-
VAT receivable	80	-
Other receivables	566	-
NHS charitable funds receivables	25	11
Total current receivables	32,015	34,482
Non-current		
Other receivables	612	-
Total non-current receivables	612	-
Of which receivable from NHS and DHSC group bodies:		
Current	11,252	14,566
Non-current	612	-

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme.

The NHS employer will make a contractually binding commitment to pay them a corresponding amount on retirement, ensuring that they are fully compensated in retirement for the effect of the 2019/20 Scheme Pays deduction on their income from the NHS Pension Scheme in retirement.

NHS provider organisations will need to create a provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This will be offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. This is £612k for 2019/20 (nil for 2018/19).

Note 18.2 Allowances for credit losses - 2019/20

	Group	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2019 - brought forward	1,489	-
Changes in existing allowances	559	-
Utilisation of allowances (write offs)	(607)	-
Allowances as at 31 Mar 2020	1,441	-

Note 18.3 Allowances for credit losses - 2018/19

	Group	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2018 - brought forward	-	1,515
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,515	(1,515)
New allowances arising	450	-
Changes in existing allowances	(294)	-
Utilisation of allowances (write offs)	(182)	-
Allowances as at 31 Mar 2019	1,489	-

Note 19.1 Cash and cash equivalents movements

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

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
At 1 April	8,768	3,217	5,207	1,377
Net change in year	3,842	5,551	3,933	3,830
At 31 March	12,610	8,768	9,140	5,207
Broken down into:				
Cash at commercial banks and in hand	3,470	3,571	-	10
Cash with the Government Banking Service	9,140	5,197	9,140	5,197
Total cash and cash equivalents as in SoFP	12,610	8,768	9,140	5,207
Total cash and cash equivalents as in SoCF	12,610	8,768	9,140	5,207

Note 20.1 Trade and other payables

	Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	10,926	10,186
Capital payables	5,049	2,594
Accruals	15,259	14,474
Receipts in advance and payments on account	23	-
Social security costs	3,842	3,563
VAT payables	-	30
PDC dividend payable	-	292
Other payables	3,206	2,998
NHS charitable funds: trade and other payables	130	91
Total current trade and other payables	38,435	34,228
Of which payables from NHS and DHSC group bodies:		
Current	7,482	5,267
Non-current	-	-

Note 21 Other liabilities

	Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Deferred income: contract liabilities	2,710	2,697
Total other current liabilities	2,710	2,697
Non-current		
Deferred income: contract liabilities	904	1,018
Total other non-current liabilities	904	1,018

Note 22 Borrowings

	Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Loans from DHSC	63,185	6,160
Obligations under finance leases	206	166
Obligations under PFI, LFI or other service concession contracts (excl. lifecycle)	6,553	5,372
Total current borrowings	69,944	11,698
Non-current		
Loans from DHSC	4,685	38,623
Obligations under finance leases	994	1,070
Obligations under PFI, LIFT or other service concession contracts	95,447	102,000
Total non-current borrowings	101,126	141,693

Loan Reference Number	DH Type	Funding Type	Opening Balance @ 01/04/2019	Draws 01/04/2019 - 31/03/2020	Repayments 01/04/2019 - 31/03/2020	Balance @ 31/03/2020	Accrued Interest (closing) @ 31/03/2020	Final Closing Balance
			£000	£000	£000	£000	£000	£000
ITFF/CILFF/RN3/2014-11-25/A	Capital	NCB	715	-	(110)	605	4	609
ITFF/FTLFF/RN3/2014-11-25/A	Revenue	NCB	6,284	-	(1,047)	5,237	9	5,246
DHPF/ISCIL/RN3/2020-03-02/A	Capital	Interim	-	422	-	422	-	422
DHPF/ISCIL/RN3/2019-12-30/A	Capital	Interim	-	1,000	-	1,000	-	1,000
DHPF/ISUCL/RN3/2018-01-05/A	Revenue	Interim	3,339	-	(2,138)	1,201	4	1,205
DHPF/ISUCL/RN3/2018-02-28/A	Revenue	Interim	6,117	-	-	6,117	3	6,120
DHPF/ISUCL/RN3/2018-10-04/A	Revenue	Interim	4,171	-	-	4,171	28	4,199
DHPF/ISUCL/RN3/2019-01-04/A	Revenue	Interim	3,757	-	-	3,757	11	3,768
DHPF/ISUCL/RN3/2019-02-27/A	Revenue	Interim	8,778	-	-	8,778	5	8,783
DHPF/ISUCL/RN3/2020-01-03/A	Revenue	Interim	-	9,065	-	9,065	29	9,094
DHPF/ISUCL/RN3/2020-02-06/A	Revenue	Interim	-	2,755	-	2,755	5	2,760
DHPF/ISUCL/RN3/2020-03-04/A	Revenue	Interim	-	13,110	-	13,110	8	13,118
DHPF/ISWBL/RN3/2015-10-23/A	Revenue	Interim	4,900	-	-	4,900	27	4,927
DHPF/ISRWF/RN3/2015-07-27/A	Revenue	Interim	6,619	-	-	6,619	-	6,619
			44,680	26,352	(3,295)	67,737	133	67,870

Note 22.1 Reconciliation of liabilities arising from financing activities (Group and Trust)

Group and Trust- 2019/20	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	44,783	1,236	107,372	153,391
Cash movements:				
Financing cash flows - payments and receipts of principal	23,057	(90)	(5,370)	17,597
Financing cash flows - payments of interest	(781)	(35)	(9,098)	(9,914)
Non-cash movements:				
Additions	-	47	-	47
Application of effective interest rate	811	42	9,096	9,949
Carrying value at 31 March 2020	67,870	1,200	102,000	171,070

Group and Trust - 2018/19	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	29,130	-	111,891	141,021
Cash movements:				
Financing cash flows - payments and receipts of principal	15,549	(142)	(4,521)	10,886
Financing cash flows - payments of interest	(568)	(36)	(9,508)	(10,112)
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	58	-	-	58
Additions	-	1,377	-	1,377
Application of effective interest rate	614	37	9,510	10,161
Carrying value at 31 March 2019	44,783	1,236	107,372	153,391

Note 23.1 Provisions for liabilities and charges analysis (Group and Trust)

Group	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
At 1 April 2019	603	407	430	25	1,465
Arising during the year	-	-	-	612	612
Utilised during the year	(121)	(43)	(314)	-	(478)
Reversed unused	-	-	-	(10)	(10)
Unwinding of discount	(3)	-	-	-	(3)
At 31 March 2020	479	364	116	627	1,586
Expected timing of cash flows:					
- not later than one year;	115	40	-	-	155
- later than one year and not later than five years	364	324	116	15	819
- later than five years.	-	-	-	612	612
Total	479	364	116	627	1,586

Note 23.2 Clinical negligence liabilities

At 31 March 2020, £171,315k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Great Western Hospitals NHS Foundation Trust (31 March 2019: £161,088k).

Note 24 Private Finance Initiative contracts

Group and Trust

PFI schemes on-Statement of Financial Position

The Trust has 3 PFI schemes which are deemed to be on-Statement of Financial Position at the period end. These are the Main Hospital and Brunel Treatment Centre and Downsview Residences (treated as one agreement), Savernake Hospital and the agreement in place with Systems C.

Great Western Hospital

The contract commenced on 5 October 1999 for a period of 30 years until 4 October 2029. In terms of the contract the operator company was obliged to build the Great Western Hospital, which was completed in November 2002, for subsequent occupation and use by the Trust. The Trust pays the operator company a quarterly availability fee for the occupation of the hospital and a quarterly service fee for the services provided by the operator such as portering and catering. In October 2003 the Trust entered into a variation of the original agreement for the construction of the Brunel Treatment Centre which is an extension to the original hospital. The construction of the Treatment Centre has resulted in increased availability and service charges, however the main terms of the contract including the termination date remain unchanged. Subsequently, in September 2006, the Trust entered into a refinancing agreement which resulted in a reduction in the annual availability payment again with no change to the contract term. The amount of the availability payment is determined annually and increased based on a combination of the annual increase in the Retail Price Index (RPI) and a fixed percentage increase of 2.5%. The operator is obliged to maintain the buildings and replace lifecycle elements of the buildings where necessary. At the end of the contract term the hospital buildings revert back to the Trust for Nil consideration. The nature of the contract meets the criteria for treatment as a service concession under IFRIC 12. Accordingly the hospital buildings are treated as an asset under property, plant and equipment with the resultant liability being treated as a finance lease under IAS 17.

Downsview Residences

The contract commenced on 5 October 1999 for a period of 30 years until 4 October 2029. In terms of the contract the operator company was obliged to build the Downsview staff residences on the Hospital site for the provision of housing to hospital staff. At commencement of the contract the Trust made a capital contribution of £649k towards the construction cost of the building. The residences are managed by the operator company who rent the accommodation units to, primarily, Trust staff. The Trust does not pay the operator company an availability fee. Instead a monthly service fee is paid for the servicing of the units which is based on usage. The operator is responsible for maintaining the buildings over the contract term. At the end of the contract term the accommodation buildings revert back to the Trust for Nil consideration. The nature of the contract meets the criteria for treatment as a service concession under IFRIC 12. Accordingly the residences are recognised as an asset under property, plant and equipment. The cost of the building less the capital contribution has been accounted for as deferred income and is released to income equally over the entire contract term.

System C

The Trust has a PFI contract in respect of the Integrated Clinical Information System which meets the criteria for recognition as a service concession agreement as envisaged under IFRIC 12 and has, accordingly, been treated as on statement of financial position. The contract was dated 27 May 2002 with an effective date of 13 November 2001. The contract was for 12 years and was due to expire on 12 November 2013. The contract has been extended to November 2020 and has been varied to include a system refresh and removal of network and telephony elements. The contract is for the supply of computer hardware and software together with the provision of ongoing support and system management services. The revised contract commenced in May 2014.

Savernake Hospital

Savernake Hospital was transferred to the Trust from 1st April 2013 as part of the transfer of Community assets following the closure of PCTs. As part of the transfer the Trust took over the PFI contract that was entered into by Wiltshire PCT. The contract commenced on 21 November 2003 for a period of 30 years until 2034. The Trust pays the operator company a monthly fee that covers both the availability for the occupation of the hospital and a service fee that covers the services provided by the operator such as portering and catering.

The operator is responsible for maintaining the buildings over the contract term. At the end of the contract term the accommodation buildings revert back to the Trust for Nil consideration. The nature of the contract meets the criteria for treatment as a service concession under IFRIC 12. Accordingly the residences are recognised as an asset under property, plant and equipment. The cost of the building less the capital contribution has been accounted for as deferred income and is released to income equally over the entire contract term.

Note 25 On-SoFP PFI, LIFT or other service concession arrangements**Note 25.1 On-SoFP PFI, LIFT or other service concession arrangement obligations**

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group	
	31 March 2020	31 March 2019
	£000	£000
Gross PFI, LIFT or other service concession liabilities	157,620	172,092
Of which liabilities are due		
- not later than one year;	15,192	14,470
- later than one year and not later than five years;	61,122	61,412
- later than five years.	81,306	96,210
Finance charges allocated to future periods	(55,620)	(64,720)
Net PFI, LIFT or other service concession arrangement obligation	102,000	107,372
- not later than one year;	6,553	5,372
- later than one year and not later than five years;	39,048	36,265
- later than five years.	56,399	65,735

Note 25.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	Group	
	31 March 2020	31 March 2019
	£000	£000
arrangements	405,505	442,826
Of which payments are due:		
- not later than one year;	38,219	37,294
- later than one year and not later than five years;	159,670	156,733
- later than five years.	207,616	248,799

Note 25.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group	
	2019/20	2018/19
	£000	£000
Unitary payment payable to service concession operator	37,293	36,803
Consisting of:		
- Interest charge	9,096	9,510
- Repayment of balance sheet obligation	5,370	4,521
- Service element and other charges to operating expenditure	13,261	13,155
- Capital lifecycle maintenance	4,337	1,429
- Revenue lifecycle maintenance	-	-
- Contingent rent	5,229	4,696
- Addition to lifecycle prepayment	-	3,492
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	37,293	36,803

Note 26 Financial instruments

Group and Trust

The key risks that the Trust has identified relating to its financial instruments are as follows:-

Note 26.1 Financial Risk

The continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs), and the way they are financed has not exposed the Trust to the degree of financial risk faced by business entities. The change to CCGs and NHS England has not increased the risk to the Trust. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Note 26.2 Currency Risk

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

Note 26.3 Credit Risk

The majority of the Trust's income comes from contracts with other public sector bodies, resulting in a low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in note 18 to the accounts. The Trust mitigates its exposure to credit risk through regular review of debtor balances and by calculating a bad debt provision at the period end.

The following shows the age of such financial assets that are past due and for which no provision for bad or doubtful debts has been raised:

	31 March	31 March
	2020	2019
	£000	£000
By up to three months	5,462	4,060
By three to six months	1,441	873
By more than six months	4,419	3,259
	<u>11,322</u>	<u>8,192</u>

The Trust has not raised bad or doubtful debt provisions against these amounts as they are considered to be recoverable based on previous trading history.

Note 26.4 Liquidity Risk

The NHS Trust's net operating costs are incurred under annual service agreements with local CCGs, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 26.5 Carrying values of financial assets (Group and Trust)

Carrying values of financial assets as at 31 March 2020	Total book value £000
Trade and other receivables excluding non financial assets	18,157
Cash and cash equivalents	9,140
Consolidated NHS Charitable fund financial assets	3,495
Total at 31 March 2020	30,792

Carrying values of financial assets as at 31 March 2019	Total book value £000
Trade and other receivables excluding non financial assets	22,245
Cash and cash equivalents	5,207
Consolidated NHS Charitable fund financial assets	3,586
Total at 31 March 2019	31,038

Note 26.6 Carrying values of financial liabilities (Group and Trust)

Carrying values of financial liabilities as at 31 March 2020	Total book value £000
Loans from the Department of Health and Social Care	67,870
Obligations under finance leases	1,200
Obligations under PFI, LIFT and other service concessions	102,000
Other borrowings	6,855
Trade and other payables excluding non financial liabilities	26,958
Consolidated NHS charitable fund financial liabilities	130
Total at 31 March 2020	205,013

Carrying values of financial liabilities as at 31 March 2019	Total book value £000
Loans from the Department of Health and Social Care	44,783
Obligations under finance leases	1,236
Obligations under PFI, LIFT and other service concessions	107,372
Other borrowings	4,946
Trade and other payables excluding non financial liabilities	22,893
Consolidated NHS charitable fund financial liabilities	91
Total at 31 March 2019	181,321

Note 26.7 Maturity of financial liabilities

	Group	
	31 March 2020	31 March 2019
	£000	£000
In one year or less	103,888	39,628
years	10,270	17,493
years	34,456	52,441
In more than five years	56,399	71,759
Total	205,013	181,321

Note 27 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
Group and trust				
Losses				
Cash losses	39	7	1	4
Bad debts and claims abandoned	156	202	455	357
Total losses	195	209	456	361
Special payments				
Ex-gratia payments	28	8	27	47
Total special payments	28	8	27	47
Total losses and special payments	223	217	483	408
Compensation payments received		-		-

There were no clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases where the net payment or loss for the individual case exceeded £300,000. (2018/19 - nil cases).

Losses and special payments are compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

Note 28 Pooled Budget - Integrated Community Equipment Service

Great Western Hospitals NHS Foundation Trust and NHS Swindon have entered into a pooled budget arrangement, hosted by Swindon Borough Council. Payments are made to the Council by the Swindon Community Equipment Service.

Group and Trust

	31 March 2020	31 March 2019
Income:	£000	£000
Swindon Borough Council	667	570
NHS Swindon	531	393
Great Western Hospitals NHS Foundation Trust	105	97
Total Income	1,303	1,060
Expenditure	1,547	1,113
Total (Deficit)	(244)	(53)

The above disclosure is based on month 12 management accounts provided by Swindon Borough Council, but have not yet provided a Pooled Budget Memorandum account. It should be noted that these figures are un-audited.

Share of Surplus (Deficit):

Swindon Borough Council	(130)	(27)
Swindon CCG	(96)	(22)
Great Western Hospitals NHS Foundation Trust	(18)	(4)
Total (Deficit)	(244)	(53)

Note 29 Related parties

Group and Trust

Great Western Hospitals NHS Foundation Trust is a body incorporated by the issue of a licence of authorisation from NHS I.

The Trust is under the common control of the Board of Directors. During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Great Western Hospitals NHS Foundation Trust.

The Department of Health and Social Care is regarded as the parent party and thus a related party.

Related parties may include but are not limited to:

- Department of Health and Social Care ministers
- Board members of the trust
- The Department of Health and Social Care
- Other NHS providers
- CCGs and NHS England
- Other health bodies
- Other Government departments
- Local authorities
- NHS charitable funds (where not consolidated)

Note 30 Events after the reporting period

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 £62m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

Annual Report and Accounts 2019/20