NHS
North Bristol
NHS Trust

North Bristol NHS Trust
Annual Report 2019/20

Contents

Chief Executive's Statement

In the years ahead, the end of 2019/20 will be defining for both our Trust and the wider NHS. However I want to acknowledge that our organisation's response to Covid-19 at the time of writing has been humbling, with staff prepared to take on new roles, to work very differently, providing compassionate care at all times. We are also building on great partnerships across the health and social care system, sharing equipment, resources and staff to support the community response. Above all, we recognise the sacrifices being made by everyone in social distancing, staying at home and keeping the NHS safe.

Our success

We were delighted that the hard work and continued drive for improvement by our staff was recognised by the Care Quality Commission in their inspection report published September 2019. The Trust made significant progress across the board, with a GOOD rating overall and achieving an OUTSTANDING rating for caring and for leadership. The CQC found us "fizzing with energy".

In January 2020 the Trust launched a new Five Year Strategy, following consultation with our staff and partners, building on what we have learnt about working in the new hospital. The strategy sets out how we will continue to provide high quality clinical care, develop healthcare for the future, be an employer of choice and provide an anchor in our community. We have used these themes to help guide our response to the current pandemic and in our specialist care which continues to support patients, whether in an emergency or via digital or phone contacts.

During this first year of our strategy we have been focussing on innovation and being financially sustainable for the long term.

Our Hospital is now one of the most technologically advanced in Europe, with robots conducting cancer surgery, dispensing pharmacy medicines, transporting supplies, and analysing blood samples. This year we signed a partnership agreement with the Bristol Robotics Laboratory at the University of the West of England to help test out the use of robotics and other healthcare technology to improve patients' health and hospital experience.

The Trust is also rapidly becoming a sector leader for the delivery of pathology and radiology services. This year we completed the centralisation of testing for the cervical screening programme across the Southwest and the transition to primary HPV testing. This has meant remodelling the NBT laboratory to increase capacity by over 300%. It increases the reliability of screening and we hope saves more lives.

As a Trust we said that in 2019/20 we would live within our budget for the fourth year in a row. We achieved that and this achievement has triggered an additional payment from our regulators which has seen the trust move into surplus. With our system partners we have developed a Long Term Financial Plan and our own five year Financial Sustainability Plan which sees us using digital technology to transform back office functions and releasing clinical teams from paper based admin.

We have been pleased to work alongside partners in Bristol, North Somerset and South Gloucestershire to continue improving discharge planning with all of us focussed on valuing patients' time, recognising the risks of unnecessary prolonged hospital stays.

Our people

At the heart of all we have achieved in 2019/20 is our remarkable workforce – from nurses, healthcare assistants, scientists and doctors to porters and IT staff. Everyone's contribution counts at North Bristol, whether that be in serving meals, ensuring delivery of kit, sterile services, cleaning, volunteers who offer a cheery welcome and those who help patients and their families parking on our site. All of those important roles make a difference to the experience of patients and make it easier for staff to care.

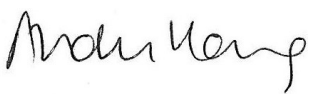
Previous staff surveys have told us that looking after our own health and wellbeing is really important and that staff want to see more development support for line managers. Since then more than 250 staff have participated in our NBT Leadership programme and our Staff Wellbeing Programme received several awards including a NHS Parliamentary Award. Our staff engagement score is moving in the right direction and is now higher than the national average. Last year over 360 nominations were made by staff, for staff, for our own Exceptional Healthcare Awards. For me those nominations tell us something important about NBT's culture of working together and valuing the contribution that everyone brings.

Our future

This report was written in April 2020; at a time when our Trust has completely changed the way we work to deal with a global pandemic. Our teams are experienced in change, in managing uncertainty and in supporting each other to always do the right thing for patients. We organised ourselves quickly, established new ways of working, trained together and shared hopes and fears. We know there will be lessons to learn and things we would do differently. I know we will face that with openness and candour.

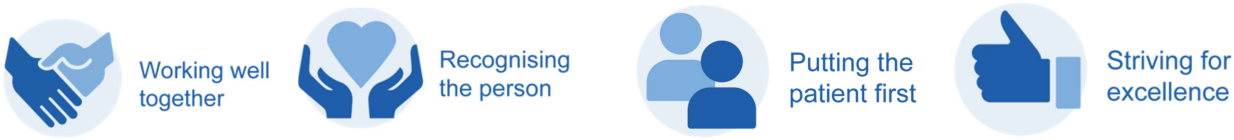
What can we expect in the future? I think we can draw great confidence from not just what we are doing now but from a year in which we tested our resilience and flexibility, and built even deeper relationships with system partners to provide better care wherever you are.

Thank you to all our staff, volunteers, patients and partners who contributed to a remarkable year.



Andrea Young
Chief Executive
23 June 2020

NBT's work is underpinned by its core values:



Organisation's Purpose and Aim

NBT is a centre of excellence for health care in the South West in a number of fields with an annual turnover of £668 million. Of this, approximately £519 million comes from commissioning through Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group (CCG) and specialist services through NHS England for direct patient care. Further income is also received from other NHS commissioner organisations and for purposes other than direct patient care.

We provide high quality clinical services to our patients from both the local area and across the region. These clinical services include:

- Urgent care – we provide expert care and treatment 24 hours a day, 365 days a year for patients when they need us most, in emergencies.
- Local acute care – we provide elective and urgent hospital services for a population of 500,000 people, primarily in South Gloucestershire and North Bristol.
- Specialist services – we excel in complex surgical interventions providing great care for patients across the region and beyond. We also provide a suite of non-surgical specialist services that are a critical part of NHS care in the South West.
- Diagnostic services – NBT delivers both Pathology and Radiology at scale and to a high quality.

Our core purpose will always be to provide patients with the standard of clinical care we would expect to receive ourselves.

In 2020 our new Five Year Strategy was launched. This report sets out specifically how we delivered against our objectives for 2019/2020:

- Changing how we deliver services to better meet the demands of the future;

- Treating patients as partners in their care;
- Being one of the safest Trusts in the UK;
- Creating an exceptional workforce for the future;
- Devolving decision making and empowering front-line staff;
- Maximising the use of technology;
- Enhancing patient care through research; and
- Playing our part in delivering a successful health and care system;

The success we have had in achieving these objectives takes us further towards delivering the vision set out in our Five Year Strategy.

Our Trust Board remains committed to creating a strong, vibrant organisation that is at the forefront of healthcare delivery in the West of England. The Trust's Executive and senior management are responsible for delivering the strategic vision. Each year, the Trust and Divisional business plans detail actions that specify how the strategic themes will be progressed. Implementation of these plans is overseen by the Trust's management team and the Board.

Overview – the last 12 months

2019/20 has been a year of significant success and of challenge for the Trust and the NHS as a whole.

As a Trust, we have celebrated the success of the excellent care provided by our teams - recognised through our improved CQC Rating published in September 2019 - and set out a clear strategy to build on the improvements we have made.

Since the CQC inspection we have developed a new Quality Strategy for 2020-2024 which sets out our clinically-led approach to delivering safe, effective and patient centred care, in line with the overarching Trust strategy.

As an employer in 2019/20 we focused on personal development and embedding the Service Line Management accountability framework into business as usual. The success of that work contributed to our 2019 CQC rating of outstanding for well led. We also launched our OneNBT Leadership programme through which we will develop the next generation of talent.

Our staff Wellbeing Programme was recognised nationally in 2019, winning a Parliamentary Award. The Programme is based on a simple premise that we will not succeed in meeting our strategic goal of exceptional patient care without an exceptional staff wellbeing programme. In 2019/20 staff turnover reduced from 15.3% at the beginning of the year to 14.4% in early 2020. This is the lowest level since December 2015.

We are also gaining a reputation for innovation. Southmead Hospital is now one of the most technologically advanced in Europe, with robots conducting cancer surgery,

dispensing pharmacy medicines, transporting supplies, and analysing blood samples. NBT and the Bristol Robotics Laboratory at the University of the West of England (UWE Bristol) are now collaborating on the development of robotics and other healthcare technology to improve patients' health and hospital experience.

We have continued to work with our Healthier Together system partners across Bristol, North Somerset and South Gloucestershire (BNSSG) to plan the development of services for our population. This year NBT started providing Histopathology and Breast services at Weston Hospital, introduced GP streaming into ED and established a regional five-day, 8am-8pm thrombectomy service. As a partnership we have also agreed a shared 5 year plan to develop our models of care based on prevention, integration and personalisation, fit for the challenges of the 21st Century. Alongside that work in 2020 our Trust Board has declared a Climate Emergency alongside our civic and health partners in the city. As a Trust we have pledged to achieve zero carbon by 2030.

The impact of Covid-19 on our performance in quarter four 2019/20 cannot be underestimated. However in this summary of our performance in 2019/20, we have sought to reflect the achievements and challenges experienced in the first 10 months of the year as well as reflecting on challenges that have resulted from Covid-19 and will continue to be addressed in 2020/21.

Our Future

In 2019/20, we published a suite of strategies and plans setting out our bold ambitions for the Trust for the next five years, encompassing strategic development, quality improvement and financial sustainability.

Our BNSSG system long term plan sets out ambitions for moderating demand on acute services over the next five years through investment in primary and community services. In line with that plan our Operational Plan for 2020/21 is based on activity growth assumptions which have been reviewed based on the latest demand and capacity information and reflecting the BNSSG System Long Term Plan restrictions on growth.

Our Five-Year Strategy 2019/2024

The Trust's five year strategy was published in early 2020 and this is a report on our first year of delivering against those plans.

Our vision is to come together as OneNBT to provide the best care we can. **By enabling our teams to be the best that they can be, we will provide exceptional healthcare, personally delivered.**

"Exceptional healthcare" means our patients will recognise that we are exemplars of safe, harm-free care and that we give them the best possible health improvement.

We will do this through outstanding Emergency Care, our centres of excellence for Specialist Services, our great Local Services and as a Powerhouse for Pathology and Imaging.

“Personally delivered” means patients are in charge of their own care and the decisions that need to be made for their health and wellbeing. A genuine partnership with patients and the public is at the heart of any changes we make and will ensure an outstanding patient and carer experience.

We are committed to maintaining a culture of openness, transparency and candour in all we do and especially in the way we communicate with our patients and their families. This commitment is underpinned by our organisational values:

- Putting patients first
- Working well together
- Striving for excellence
- Recognising the person

Financial Sustainability Plan

To ensure that the Trust's strategy for 2020-2024 is affordable and consistent with the BNSSG system and regional plans, the Trust developed the Financial Sustainability Plan in 2019/20. This was approved by the Trust Board and agreed with NHS Improvement.

The Trust has been in financial deficit since 2014/15 and has made good progress in reducing the deficit over this period since being removed from Financial Special Measures, and has delivered the control total agreed with NHS Improvement in four consecutive years. Our continued progress in this area has been recognised by our regulator in awarding additional funding through the Provider Sustainability Fund that saw us move into surplus this year.

The Financial Sustainability Plan sets out the context in which the Trust will seek to continue to improve its financial position, the drivers of the Trust's deficits and most importantly the actions that will be required to move the organisation forward.

The Trust management team and Board have recognised that achieving the required level of change will only be possible by starting to undertake some long term projects and significantly challenging some of the underlying causes of the deficit. A supporting Transformation Plan has been developed through engagement with senior leaders across NBT, and this forms the basis of the five year operating plan which will be updated annually.

Improving quality of care

In September 2019, the CQC published its report into the quality of services at the Trust based on an inspection that took place in June and July 2019, awarding an overall rating of Good; a significant improvement on the previous overall rating of Requires Improvement. This is the first time in the Trust's history that it has received a rating of Good and represents the hard and focused work of the organisation's dedicated staff in delivering safe, effective and patient centred care.

The Trust was rated as Outstanding for caring and being well-led, Good for the safety and effectiveness of its care and Requires Improvement for responsiveness. The Board, urgent and emergency services, medical care, surgery and maternity were also awarded a Good rating and our end of life care services were singled out as Outstanding overall. Full results can be read here.

The Trust has welcomed the findings of the CQC as a reflection of the journey of improvement it has undertaken through the hard work of its dedicated staff. To ensure services at NBT continue to improve, a comprehensive action plan has been developed to rectify the weaknesses identified by the CQC. That plan is being

delivered through the clinical divisions with strong support and oversight from the Director of Nursing and Quality and her team. Operational performance challenges are the most significant overall area where improvements are needed to gain a Good rating in the responsive domain.

A key component of embedding strong quality assurance and improvement as close to the patient as possible has been the strengthening of Quality Governance in clinical divisions. A change programme with strong executive leadership and Non-Executive Director oversight was delivered between September 2018 and June 2019, leading to a range of significant improvements that underpinned the CQC inspection success. These included investment in quality governance resources within clinical divisions, the creation of a robust Patient Advice & Liaison Service (PALS) and delivery of improvements in specific subject areas such as risk management, complaints handling, patient safety incident governance, patient consent and quality governance structures supporting the Trust Board. A phase 2 programme designed to maximise the learning and benefits from that work commenced in early 2020. The programme is now being adapted and will evolve in light of the pandemic in coming months.

Performance Summary

The Trust's overall 2019/20 performance against key constitutional and regulatory standards is set out below. Detailed monthly performance is set out in Trust Board papers published on our website.

Standard/Measure	Performance
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	The Trust had set a trajectory predicting a performance position of 88.13% by the end of 2019/20. However, postponing the routine elective plan in response to Covid-19 negatively affected the March RTT position. Had the elective programme been delivered as planned, an end of year position of 83.50% was expected. Actual performance for 2019/20 is 80.02% with a backlog of 5697 patients waiting over 18 weeks. The overall wait list size was 28,516 patients at the end of March 2020 against a trajectory of 27,754, which was set excluding patients on the e-Referral service (eRS). Therefore, the Trust would have met its trajectory for wait list size excluding patients on eRS, with a reported position of 26,588. In January 2020 the Trust included all patients with an active RTT clock reporting in eRS in the national RTT submission. The inclusion of these patients improved the position and brought the Trust in line nationally. Following the inclusion of eRS patients the Trust's position is more closely aligned to the national picture. The Trust moved from position 304/373 to 297/375 and is now ranking second out of 11 Adult Major Trauma Centres.
ED: maximum waiting time of four hours from arrival to admission/transfer/discharge	The four-hour ED waiting time standard remained challenged in 2019/20 with a full year performance of 77.49% against a trajectory of 86.09%. However, waiting times significantly improved in August 2019, resulting from improved staffing. Since August 2019 the Trust has performed well nationally for Type 1, four-hour performance. Frequently reporting in the upper or second quartile, the Trust regularly reports the highest performance amongst other Adult Major Trauma Centres.
All cancers: 62-day wait for	Performance against the 62 day cancer standard

first treatment from urgent GP referral for suspected cancer	improved in 2019/20 with the Trust achieving against its planned trajectory for 50% of the year. The standard achieved the national target of 85% in August. The majority of treatment delays have been the result of capacity issues in Urology with backlog clearance plans ongoing and performance improving as a result, after some issues with patient choice over the winter months.
All cancers: 31-day wait from diagnosis to first treatment	The 31-day first treatment target was achieved once, in December 2019, with 96.80%. Performance fell below 90% in four months but has improved to above 90% since November 2019. The decline in performance is attributable to delays in robotic surgery within Urology and complex pathways and capacity issues in other Specialties.
Cancer: two-week wait from referral to date first seen for all urgent referrals	The two-week waiting (TWW) time for urgent cancer referrals has delivered against trajectory for the 6 months since September 2019 with the highest performance reported in November 2019 at 90.21%. Performance against national standard has been challenged by workforce issues, demand outstripping capacity in Skin during the summer months and patients choosing not to accept the appointments offered or cancelling those booked within the two-week target. Development and implementation of longer-term plans to close the demand and capacity gap should see an overall return to TWW standards by the end of 2020/21.
C. Difficile: meeting the C. Difficile target of a maximum of 43 cases	In March, there were four cases of C. Difficile reported against the trajectory. The Trust reported 51 cases cumulatively in 2019/20 against the target of fewer than 57 cases and therefore successfully delivered the overall reduction of cases across the year.
MRSA: meeting the objective of none	There have been no reported cases of MRSA bacteraemia in March. The Trust reported four cases during 2019/20. This is in comparison to 9 cases reported in 2018/19 and therefore is an overall reduction in reported cases.

Mortality ratios	Overall, the Trust has reported lower than the nationally expected rate of deaths for a hospital of its size and activity.
Delayed Transfers of Care (DToC)	The level of delayed transfers of care began the year at 4.92% and gradually increased to its highest point at 8.90% in September. There was a slow decrease between October and December, but a sharp increase occurred in January 2020 to 8.33%. Significant levels of DToC patients (9.23% vs. 3.5% target) continue to be experienced in March 2020 and would have released 43 beds to the Trust had the national target been achieved. Social care delays and pathway 2 rehabilitation beds are driving the largest proportion of stranded bed days.
Complaints: reducing overdue responses	Monthly numbers of complaints and concerns have ranged between 36 and 62 for the former and 76 and 126 for the latter. Overdue responses significantly improved in July 2019 following a process change and frequently achieved the response rate compliance target of 90% from July onwards. The majority of complaints are about an aspect of clinical care or a communication issue.
Sickness absence	Sickness absence has seen a slight deterioration in 2019/20, currently at 4.4% against a target of 4%. Long term sickness has driven the deterioration and is actively being investigated and aligned to our Health and Wellbeing programme.
Agency usage	Overall pay did not exceed the overall pay budget at year end, however agency expenditure has been consistently above plan with the majority of spending happening in the summer peak. Bank expenditure overall has also exceeded the anticipated plan. The Trust is committed to the BNSSG High Cost agency reduction project and internal programme to reduce vacancies and in particular increase the number of substantive registered and non-registered nursing staff. The Trust's Vacancy Factor has significantly improved from 10.5% to 6.8% across the year, although fell just short of the target of 6.5%. Turnover also saw a strong improvement, decreasing in March

	to 13.2% compared with 15.7% in March 2019 and exceeding the turnover target for 2019/20 of 14.5%. The most significant improvement in turnover was in registered and unregistered nursing and midwifery and administrative and clerical staff. These measures have during the year led to significantly increased use of framework nursing agency supply. This in turn has reduced the use of high cost, non-framework agency use, and we expect to see an improving position in the coming year.
Cancelled Operations	The national requirement is to maintain the number of cancelled on the day operations at below 0.8% of daily operations. The Trust has had varied performance throughout the year ranging between 0.71% and 1.35%on the day cancellations. The Trust met the 0.8% target twice in the year up to end of February, in June and July 2019, and has reported an improved position on 2018/19. The Trust performs well for cancelled operations nationally; frequently reporting in the second quartile.
Bed Occupancy	The flow of patients through hospitals is recognised nationally to be affected when bed occupancy rises above 92%. The Trust has reported monthly bed occupancy positions in 2019/20 varying from 94.81% in August 2019 and 95.19% and 95.18% in June and September 2019 respectively. The highest reported bed occupancy has been in January (98.95%) and February 2020 (98.86%). This was against the Trust's ambition of not exceeding 95% bed occupancy in any period. This demonstrates an improvement in 5 months when compared to 2018/19. Improved bed occupancy reduced the need to use escalation capacity and numbers of patient outliers, supporting the ethos of 'right place, first time'.

Performance Analysis

On a monthly basis the Trust Board receives the Integrated Performance Report (IPR) which provides overview and detail of the key measures of performance and supporting indicators to ensure that a balanced performance position is understood.

It sets out over 100 measures and is posted to the Trust's website to allow for public scrutiny. This information is provided for the last month, trending over time, and, where available or relevant, against a benchmark. These key measures are then monitored through the Performance Assurance Framework and the new Accountability Framework in both static and operational reports provided through the Trust's Business Intelligence Unit (BIU). These are monitored through a series of daily, weekly and monthly performance reviews that provide a view of the current and past position as well as a forecast.

Other details of quality and performance measures are provided by the BIU and are considered by the Executives at weekly meetings. The Quality & Risk Management, Finance & Performance and People & Digital sub-committees and other specialist groups also review their specific appropriate elements from the IPR. These sub-committees provide the Board with assurance that it is receiving correct data and that the right processes are in place to ensure patient safety and performance standards are not only being maintained, but also improved. The BIU, in conjunction with the Operations Team, also monitors and acts to improve data quality and assurance reporting throughout the year through comparative measures and audits.

Progress against 2019/20 objectives

1. Progress on delivery of the objectives set for 2019/20 is set out below. Against the five overarching objectives set, we expect to broadly meet the objectives for four of them. We have made measurable progress on:

   - **Be one of the safest trusts in the UK** – achieving our objective to be assessed as Good by the CQC and Outstanding for caring.
   - **Work more closely with other hospitals, community services, GP practices and social care -** providing Histopathology and Breast services at Weston Hospital, introduced GP streaming into ED and established a regional five-day, 8am-8pm Thrombectomy service.
   - **Build effective teams empowered to lead -** significantly improved staff survey results with improved staff engagement and delivered increased substantive recruitment, including 5% increase in substantive nurses.
   - **Become financially secure for the long term –** finalised Five Year Trust Strategy alongside a Financial Sustainability Plan, and on track to deliver 2019/20 financial control total.

2. We have not fully delivered on our objective for **improving patient access and experience**. For patients with urgent care needs, our waiting times in A&E have improved on 2018/19 but remain below constitutional standard. We have also not been able to eliminate long waits of over one year for elective care. Improving these standards of care remains a priority for us going into 2020/21.

Objective 1: Be one of the safest trusts in the UK

2019/20 Deliverable	Performance
Achieve “Good” CQC rating	**Achieved** – the CQC reported an overall “Good” rating with “Outstanding” for caring and well-led in their report published in September 2019.
Build on our Perform programme	**Achieved -** the Perform methodology has continued to be the Trust’s single improvement tool and has been used to support, for example, a focus on criteria-led discharge. We have used Perform to ensure that we are working across the Trust to reduce growth in the average length of hospital stays (LoS). We aimed to sustain 18/19 levels of LOS in 2019/20 and we achieved that.
Invest in clinical governance for learning and improvement	**Achieved** - we invested in and strengthened divisional clinical governance capacity, reflected in CQC report.
Deliver the digital programme	**Partially achieved** • Electronic Patient Records (EPR) Board and Chair established. • Theatres clinical information system progressing and on track for October 2020. • Overall EPR solution has commenced and is on track. • A proposed solution to upgrade the existing Phillips monitoring system and implementation of the Phillips Information Suite in ICU has been scoped and is planned to go through the April Covid-19 Silver and Gold Command • Some of the modules which were supposed to go live have been paused due to the Covid-19 response. 27 modules have been replaced and switched off, however 18 remain in active use.
Introduce three clinical IT systems	**Achieved** • In response to Covid-19, Careflow Connect was rapidly rolled-out across the organisation. On 20 March 20206568 users were invited to join the Careflow Connect Platform. As at 16 April, there were 2582 users of which 2498 are active. • Full Trust roll-out of E-observations was completed on 30 March 2020. • Due to Covid-19, the full roll-out of the new Blood Track System was paused. However several wards are live with the new Blood Track Solution including Medical Day Care Unit, Renal Dialysis Unit and wards

	8a, 8b, 9a, 9b, 27a, 28a, 28b

Objective 2: Improve patient access and experience	
2019/20 Deliverable	**Performance**
Cut waiting times for cancer treatment	Performance against the 62 day cancer standard improved in 2019/20 with the Trust achieving against its planned trajectory for 50% of the year. The unvalidated March position shows improvement compared to February and January with 74.50% overall. The Trust carried out the highest amount of treatments year to date in March with 46.5 more treatments compared to February, without having a major impact on breach totals. The 31-day first treatment target was achieved once, in December 2019, with 96.8%. Performance fell below 90% in four months but has improved to above 90% since November 2019. The two-week waiting (TWW) time for urgent cancer referrals has delivered against trajectory for the 6 months since September 2019, with the highest performance reported in November 2019 at 90.21%. Performance against national standard has been challenged by workforce issues, demand outstripping capacity in Skin during the summer months and patients choosing not to accept the appointments offered or cancelling those booked within the two-week target. Development and implementation of longer-term plans to close the demand and capacity gap should see an overall return to TWW standards by the end of 2020/21.
Deliver DMO1 waiting times for diagnostics	A bid for Elective Care funds to support delivery of the national diagnostics target was successful, enabling the provision of additional CT and Endoscopy capacity. This included a Locum in Endoscopy and weekend CT lists in Quarter 4, improving the performance from the peak of underachievement in December.
Significantly increase Emergency Zone staffing	**Achieved** - For the first time in August 2019/20, the Trust delivered its recovery trajectory for the Emergency Department 4 hour standard with performance of 87.89%.

	This exceeded the England position for the month. Improvements in performance are predominantly due to increased staffing and increased GP presence in ED. Improvements in the Emergency Zone have focused around increasing medical staffing with two significant business cases approved for the Emergency Department enabling the recruitment of new consultants (5 FTE recruited so far), 2 Speciality Doctors (1.4 FTE recruited so far) and the recruitment of 1 trained and 4 trainee Advanced Care Practitioners (ACPs). The ACPs are currently undergoing training within the department and once qualified they will be accredited by the Royal College of Emergency Medicine and able to work on the Tier 1 Doctor rota within the department. The Acute Medical Unit has also received business case sign off for 3 FTE Consultant posts and recruitment is currently ongoing.
Eliminate all 52 week waits for operations.	Throughout 2019/20, 52 Week waits have remained the lowest they have been for the last three years. Cancellations in the elective plan hindered the Trust's ability to continue clearing these patients and have therefore reported an increased number of long waiters in March 2020. Ongoing actions are being taken to support the clearance of breaches in 2020/21.
More responsive care for people with learning disabilities, autism or both	**Achieved** – we rolled out training to frontline staff and improved identification of patient needs, allowing us to make adjustments to care

Objective 3: Work more closely with other hospitals, community services, GP practices and social care

2019/20 Deliverable	Performance
More tests, treatments and advice in homes and health centres	**Partially achieved -** an Acute Care Collaboration Strategy has been agreed which will support the development of an Integrated Care System. In addition: • Video Consultation – due to Covid-19 a rapid deployment of Attend Anywhere was arranged and 8 specialities are using this functionality. • WiFi access - completed. • Discharge summaries - all discharge summaries are

	digitally sent to GP practices however a % of them are sent direct from ICE and not Connecting Care. • ICNet - a project manager has been assigned and NBT are working with UHB to deliver a single system / joint procurement of the ICNet solution.
Faster stroke treatment and rehabilitation for all patients	NBT is leading the development of the Thrombectomy and wider provision of Stroke services. Investment in 2019/20 supported delivery of an additional 6 Hyper Acute Stroke Unit Beds (HASU), weekend cover for stroke at Consultant level and an increased Associate Nurse Practitioner. These investments are primarily designed to meet the local population need but will also make transition to a larger service more manageable and allow system change to be delivered at pace.
Deliver NBT's excellent Breast, Urology and Histopathology services for people in Weston	**Partially achieved** – NBT is providing Histopathology services at Weston and Breast care services. We are continuing to work towards provision of NBT Urology services at Weston.

Objective 4: Build effective teams empowered to lead

2019/20 Deliverable	Performance
Prioritise the health and wellbeing of our staff	**Partially achieved -** 4207 staff or 51% of NBT had their say via the survey in 2019. Against a national average of 47% this was our highest ever response rate and an increase of 10% from 2018. In response to specific health and wellbeing questions the response we received this year improved on 2018. We also received a more positive response than the average score for acute trusts in seven of the nine questions. Sickness absence at the end of 2019/20 was 4.4% against a target of 4%. Long term sickness is driving this positon and remains a priority for our Health and Wellbeing programme. We have identified key areas for investigation in terms of the sickness recording process which are providing greater insight into drivers of sickness absence. Linked to this are

	our investigations into areas where absence reasons recorded as 'unknown' are disproportionately high. Understanding better the true reasons for this absence will allow us to target our future health and wellbeing interventions accordingly.
Expand leadership development programme for staff	**Achieved** - 253 staff have participated in the OneNBT Leadership programme, cohort one were due to complete July 2020, however the programme was paused in March due to Covid-19. Some 28 managers are participating in the Level 3 in-house Leadership and Management apprenticeship which is also on pause. Both programmes have been highly evaluated with OneNBT highly commended for the national Leading Healthcare Awards.
Flexible working to use fewer agency and locum staff	As set out above, the Trust's Vacancy Factor has significantly improved from 10.5% to 6.8% across the year and overall pay did not exceed the overall pay budget at year end. However, agency expenditure has been above plan with the majority of spending happening in the summer peak.
Increase opportunities to do clinical research	**Achieved** - We moved from 18% contributing/participating in research to 42% contributing.

Objective 5: Become financially secure for the long term

2019/20 Deliverable	Performance
Live within our budget for fourth year in a row	**Achieved** - for the year to March 2020 the Trust reported a surplus of £50k (including Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF) and excluding gains on disposal).
Deliver our transformational programme - monthly progress against milestones for Trust-wide themes (theatres, workforce, urgent care)	**Partially achieved** • Identified and delivered annual savings requirement during 2019/20. • A Transformation Board has been established and developed a five year transformation programme. This is on track to support the implementation of the new Trust strategy. • The Trust is now aiming to launch an Inventory Management System within theatres during 2020/21. • Primary care streaming is in place (GP in ED) and an

	Emergency Zone workforce business case has been approved. • Reduced bed requirement for expected levels of non-elective activity through greater use of Same Day Emergency Care. • Development of ongoing work and plans to continue to shift sub-acute Rehab from NBTs Acute Bed Base into more appropriate community settings of care.
Refresh our five-year strategy and financial plan	**Achieved** - our 2019-24 Strategy has been published, setting out our vision and priorities for the longer term. Alongside the strategy we finalised our 5 year financial plan.
Achieve value in our services using clinical benchmarking	**Achieved** – Getting It Right First Time (GIRFT) governance processes in place with action plans to deliver value across specialties.
Make better use of our pathology resources	**Partially achieved** - NHSE&I pathology networking is being progressed across the West of England. Joint procurement for new laboratory equipment is underway across the network. NBT are rolling out the regional Genomics Laboratory Hub for the South West and are working collaboratively with partners to respond to the requirement to establish a regional Genomics Medicine Service for the South West. We have completed the centralisation of testing for the cervical screening programme across the South West and the transition to primary HPV testing. This has meant closing services in Gloucester, Bath, Taunton and Exeter and remodelling the NBT laboratory to deliver a 300% to 400% increase in workload.

2019/20 Financial Performance

Overall Financial Position

The Trust has achieved a performance adjusted surplus for 2019/20 of £50k (0.01% of turnover), compared with a revised planned deficit of £6,183k (0.9% of turnover). This position includes receipt of £31,941k of Provider Sustainability Funding (PSF) which reflects that the Trust achieved the eligibility requirements against the control total and so received the full core allocation plus a deficit reduction incentive payment of £6,233k which lifted the Trust to the surplus of £50k.

	Surplus/(Deficit)
	£000
Original Plan	(4,919)
Adjustment for additional annual leave entitlement	(1,400)
Adjusted plan	**(6,319)**
Variance to plan	
Operational result	(6,183)
Variance to plan (favourable)	*136*
Additional PSF awarded	6,233
Reported Surplus/(Deficit)	**50**

NHSI agreed to increase the Trust's planned deficit to reflect the need to increase its "provision for annual leave accrued but not taken" resulting from staff cancelling leave to plan for the Covid-19 response at the end of March 2020. This resulted in a final plan of a deficit of £6,319k for the Trust. The Trust then delivered a deficit of £6,183k against this plan, a favourable variance of £136k. This over-performance meant that the Trust met the eligibility criteria to trigger a deficit reduction incentive payment in the form of additional PSF of £6,233k which flowed through to the bottom line and moved the Trust's final position to a £50k surplus.

The key indicators are as follows:

	Revised Plan	Actual	Variance
	£000	£000	£000
Income	636,983	667,679	(30,696)
Employee costs	(385,252)	(403,386)	18,134
Operating expenses excluding employee costs	(219,955)	(229,126)	9,171
Operating surplus/(Deficit)	**31,776**	**35,167**	**(3,391)**

Net finance costs	(39,564)	(39,354)	(210)
Other gains/(Losses) including disposal of assets	(1,584)	365	(1,949)
Surplus/(deficit) for the year	**(9,372)**	**(3,822)**	**(5,550)**
Add back impairments and other adjustments	3,189	3,872	683
Adjusted financial performance surplus/(deficit) including PSF	**(6,183)**	**50**	**(6,233)**

CIP delivery was £22,129k which was £2,873k adverse to plan and the position has benefitted from a number of recurrent measures amounting to £15,464k and non-recurrent measures, amounting to £6,665k, which have resulted in the underlying deficit remaining similar to previous year at £47.4m (excluding PSF) going into 2020/21. The underlying deficit reflects the complexity of the Trust's financial position and the impact of the mix of services within the PFI hospital. The financial sustainability of the PFI was predicated on improvements to upper quartile performance in operational performance around patient flow, length of stay and productivity which have been partly hampered by increased demand for non-elective services above expected rates.

A financial sustainability plan has been produced alongside a refresh of the Trust's strategy which will focus on transforming services and making best use of the highly specialised infrastructure offered by the PFI. This will include focus on working with system partners to ensure that patients are treated in the most appropriate and cost effective setting.

Funding

The Trust's main source of finance is income from contracts with other public sector bodies, in particular NHS commissioning bodies. In addition, the Trust also receives funding in the form of Public Dividend Capital (PDC) and credit arrangements including loans. The most significant credit arrangement is currently the liability in respect of the PFI hospital. The historic deficit has been supported by interest bearing loans from the Department of Health & Social Care, these are being replaced with additional PDC. The date of this exchange of debt for PDC is likely to be around September 2020 but with the impact back dated to 1 April 2020.

Financial duties and financial health

The Trust has three key financial duties:

- To break-even on income and expenditure taking one year with another;
- Not to overspend its capital resource limit (a limit on capital expenditure set to an agreed plan with the Department of Health & Social Care);
- Not to overshoot its external financing limit (a cash limit set by the Department of Health & Social Care).

The table below sets out the Trust's performance against these targets in 2019/20 and in the previous four years of the Trust.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Breakeven duty in-year financial performance	(51.6)	(42.9)	(12.1)	(7.4)	7.5
Breakeven duty cumulative position	(67.2)	(110.1)	(122.3)	(129.7)	(122.2)
External financing limit	Achieved	Achieved	Achieved	Achieved	Achieved
Capital resource limit	Achieved	Achieved	Achieved	Achieved	Achieved

The movement from 2018/19 to 2019/20 mainly consists of additional PSF of £9m in addition to underlying improvements.

The break-even performance excludes impairments and accounting for donated assets as well as a technical adjustment for the PFI. The following table reconciles the retained deficit in the accounts to the deficit recorded for break-even purposes reported above, and this shows that the Trust achieved a surplus of £50k.

Trust results	**£000**
Retained deficit for the year	(3,822)
Add back:	
Impairments	4,094
Donated assets	518
Remove 2018/19 post audit PSF reallocation (2019/20 only)	(741)
Performance adjusted deficit	**50**

Notes:

1. *Impairments and reversals arose following a revaluation of the Trust's land and buildings by the district valuer;*
2. *The adjustment in respect of donated assets removes the net impact of depreciation on assets previously donated to the Trust and income from donations received in the year.*

The surplus of £50k is after delivering £22,129k of savings in-year. Capital expenditure for the year was £21,675k and was funded primarily from internally generated resources. Major areas of expenditure included £6,130k in IT investment, £9,878k on medical equipment and £5,667k on estates and infrastructure.

Forward look to 2020/21

Prior to the impact of Covid-19 planning, the Trust's financial forecast for 2020/21 shows a breakeven position including the receipt of £26,871k of PSF and requiring savings of £29,800k. The Trust has a capital plan of £25,823k for 2020/21. The forecast breakeven position in 2020/21 combined with the replacement of loans with PDC and a capital plan affordable from internally generated funds means that the Trust has sufficient cash in 2020/21 and cash support from the Department of Health & Social Care will not be required.

Working with and listening to our patients

Friends and Family Test

The Friends and Family Test (FFT) is an important feedback tool that enables people using our services at North Bristol NHS Trust to give real-time feedback of their experiences. It asks people if they would recommend the service they have used to their family and friends should they ever need to use it, and why. The commentary given is critical in helping us to make improvements to the care we provide and to recognise what we are doing well. The survey is completely anonymous and provides patients with a choice to opt out.

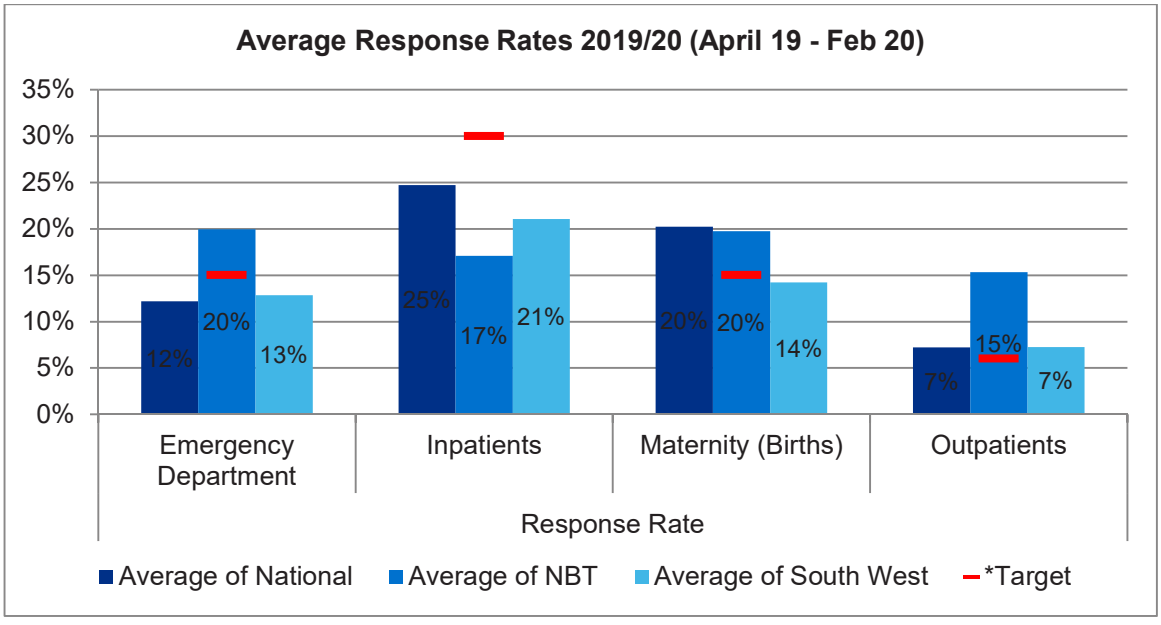
There are required response rates/targets set by the NHS for maternity (birth 15%), inpatient which includes day cases (30%); and Emergency Department (15%). The required response rate for outpatient is set by the CCG at 6%.

We report monthly to the Trust Board and NHS England on:

- the percentage of patients who have completed a survey; and
- the percentage of those respondents who would recommend the service to their family and friends service.

The data shared in this report is from April 2019 to the end of February 2020. The data for March is not included as FFT was paused, in line with NHS England guidance, due to the Coronavirus Pandemic.

Chart 1: NBT average response rates against the national and regional average for the period between April 2019 and the end of February 2020



Recommend rate; Table 2 below shows the average percentage of those responding to the FFT survey that would recommend the service to their family or friends should

they need the service. Table 4 reflects data comparison of NBT versus regional and national data.

Table 2: NBT average percentage recommend rate 2018/19 vs 2019/20

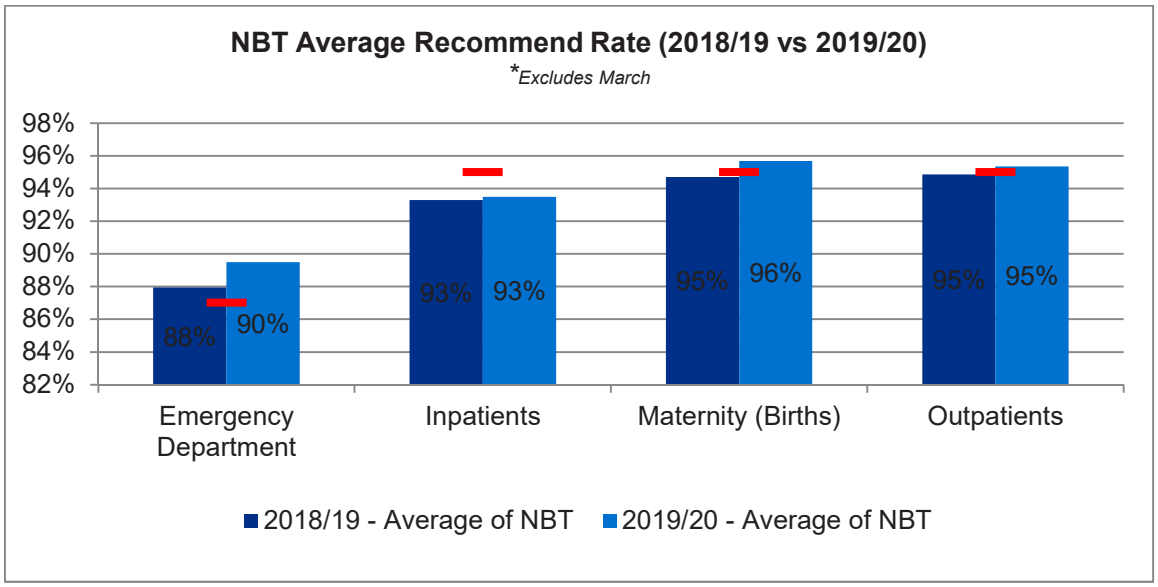
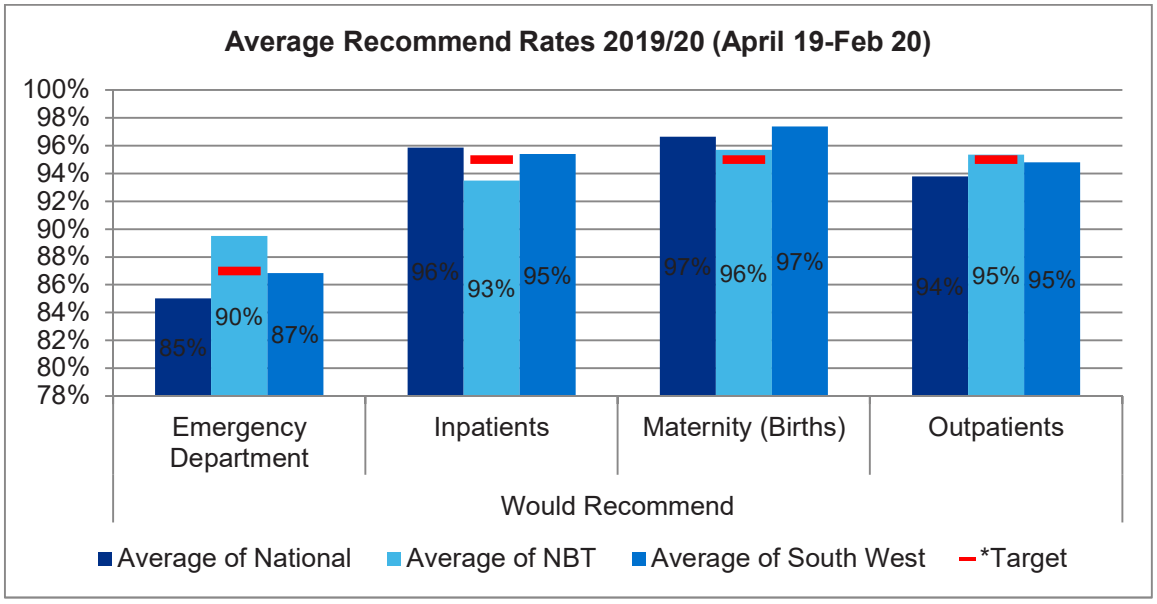


Table 3: Average percentage recommend rate against the national and regional data



Inpatients: There was no overall change in the average percentage of patients recommending the inpatient services. The majority of feedback is very positive and relates to staff attitude: staff being professional, caring, helpful and friendly. The negative experiences, which are in the minority, relate to poor communication**.**

In the **Emergency Department** the response rate remained well above the required rate and also above the national and regional average. The percentage of patients recommending the service has varied across the months but overall there has been an upward trend. This is also above the national and regional average. The positive feedback relates to staff attitude and behaviour, and the negative to a lack of information about their waiting experience.

Outpatient services continue to have overall excellent response rates - between 12 -19% and well above the national and regional average levels. The percentage of patients recommending the services is also above these benchmarked averages at national and regional level. Positive feedback relates to staff attitude, behaviour and care, and the small amount of negative feedback relates to lack of communication about waiting.

Maternity Services (Birth): The number of responses received from mothers following their birth experience has shown a decreasing trend. The percentage of those recommending the service has varied but an overall increase in the number of mothers recommending the service has been identified. The vast majority of feedback is very positive, relating to staff attitude and behaviour, staff really listening and respecting the mother's views, being very caring and professional.
The wealth of feedback is available in near real time to all wards, departments and many specialities through the 'Envoy' data platform. The appointment of Patient Experience leads in the Divisions has enabled an increased use of the data to maintain and celebrate good practice. This is giving a positive experience to patients and also addressing areas of improvement.

Complaints Concerns and Compliments

This has been a year of positive development with the added resource of Patient Experience leads within the governance structures of the Clinical Divisions, and the successful introduction of the Patient Advice and Liaison Service. These are all having a positive impact on a person centred approach and timely response to those raising concerns and complaints.

The total number of formal complaints received in 2019/20 was 613. This is a 15% decrease on the previous year where 723 formal complaints were received.

We are working towards a target of 90% complaints responded to within the agreed time frame. The average monthly performance for 2018/19 was 61%. In 2019/20, the average completion rate has been 80%; this is a significant improvement and demonstrates the impact of divisional recovery plans.

There is regulatory requirement to acknowledge all formal complaints within three working days. We are 100% compliant with this requirement.

Activity levels 2019/20:

Type	2016/17	2017/18	2018/19	2019/20
Complaints - This figure reflects all new formal complaints received by the organisation.	654	592	723	613

Concerns - For the majority of 2019/20 the reporting of 'concerns' has included PALS concerns, PALS enquiries, concerns and enquiries. In accordance with the introduction of PALS in February 2020 the number of concerns has increased and the number of complaints has fallen.	1,394	800	744	1,296
Enquiries - With the introduction of the updated 'managing complaints and concerns policy' in Q1 2020, we will be changing the way we record enquiries. These will be recorded on Datix as individual cases with a specific definition and process to manage these.	7,059	8,878	5,729	(included in total for concerns)
Response Time (within timescale)	77%	67%	61%	80%

The table below provides an overview of the themes of issues raised in complaints in 2019/20.

Subject	**2019/20**	
	Number of times recorded	**% of total**
Access to services - Clinical	73	12
Access to services - Physical	2	0.3
Attitude of staff	61	10
Clinical care and treatment	339	55
Communication	88	14
Discharge Arrangements	29	5
Medical records	3	0.5
Patient Property	4	0.7
Transport	2	0.3
Confidentiality	5	0.8
Quality of Facilities	3	0.5
Domestic Services	2	0.3
Privacy and Dignity	2	0.3

In 2019/20, the most common complaint theme was clinical care and treatment, and the second most common complaint theme was communication. In February this year a deep dive was undertaken to review the type of complaints being logged

under the subject ‘Clinical Care and Treatment’. This identified that the Datix subjects were too broad with too many ‘sub-subjects’. Recommendations have been made to review and streamline the subjects and sub-subjects to reduce the number of options, to enable us to have a better understanding of the key themes in complaints.

Additional information on our complaints and compliments can be found in our Quality Accounts which will be published in July 2020.

NHS Website Feedback

The NHS website provides another opportunity for those who have used our services to feedback. All postings are responded to and people are encouraged to contact the PALS or Complaints Team to address particular experiences. All feedback is shared with the relevant department, ward or team. The majority of reviews are positive.

Patient Advice and Liaison Service (PALS)

The Patient Advice and Liaison Service launched in April 2019 after a two month pilot. Throughout 2019/20, the service has continued to grow and staff are now in post to support people with resolving their concerns and issues quickly. PALS has made the process of raising concerns in the hospital more accessible, with a ‘drop in’ office where patients, carers or family members can walk in and speak to someone about their experience.

Looking ahead to 2020/21 means further embedding of PALS within the Trust. The service will move into a new office space which can accommodate staff and those wishing to use the service. This will improve the visibility and accessibility of the service. PALS will also increase their profile by educating ward staff on the service, improving the availability of literature and information about the service across the hospital and online, and by undertaking engagement events or attending out-reach events to raise awareness of the service in groups across the community (e.g. carers’ forums, support groups). Lastly PALS will look at its reporting and monitoring in order to ensure it can support Divisions to manage, respond to and learn from patients’ concerns.

As a Trust we continue to learn from feedback:

- Urology made a change in their process so that when a referral is received from outside NBT for a patient with suspected cancer the receiving administrator will add the details of the referral to the Somerset Cancer Register to initiate tracking of the patient. Within Urology, a weekly tracking meeting has been set-up to monitor all patients on a cancer pathway referred from another organisation.
- Refreshing manual handling training for ward staff with a focus on ensuring staff are compassionate and kind when moving and handling patients.

- Improved staff training on taking consent for clinical procedures, in particular where the nature of the procedure changes from that which was originally discussed or agreed by the patient.
- Reception staff to inform patients of any delays when they are checked in for appointments.
- Improved signage
- Improved waiting area for Gynaecology Emergency Clinic.
- Palliative Care team have reviewed the education they provide, focusing on improving communication with patients and their relatives when patients have a poor prognosis.

Patient Surveys

The Trust participated in the Care Quality Commission's National Patient Survey programme in 2019, and received the results from a number of 2018 and 2019 surveys. All results are reviewed alongside data from FFT, complaints and concerns, to identify areas for improvement and celebrate good patient reported experience. The results and actions are reported and monitored through the Patient Experience Group and the Patient and Carer Experience Committee.

Inpatient survey 2019 (to be published in 2020)

This is an annual survey with 1250 patients, admitted in July 2019, randomly chosen according to the protocol, being invited to participate. The response rate remained high at 47% - above the average response rate for similar trusts at 44%. The most improved areas are as follows:

- Hospital: staff completely explained reasons for changing wards at night (focus for improvement from last year).
- Planned admission: admission date not changed by hospital (focus for improvement from last year).
- A&E Department: right amount of information about treatment or condition.
- Hospital: not bothered by noise at night from other patients.
- Hospital: food was very good or good.

Following a workshop with staff and patients in March to review the data alongside data from FFT and complaints and concerns, the following areas were identified for improvement.

Overall question:

- Patients asked to give views on the quality of care.
- Patients received information explaining how to complain.

Discharge:

- Family and friends given enough information on how to help care.

- Patients told what to look out for and who to contact if worried.
- Family and home situation considered in planning.
- Enough notice is provided about when discharge will be.

This will be shared with staff across each Division, linking in with current improvement work related to discharge.

National Cancer Patient Experience Survey 2018, published in 2019

This survey is undertaken every year. NBT was rated 8.8/10 for overall care, the same as the national average and an improvement on last year. We scored within or above the expected range in 51 questions out of 53 reported, also an improvement on 2017.

Overall the patient comments are extremely positive about the staff, treatment and the NHS. Negative comments were mainly related to processes such as delays in appointments, diagnostics and results and waiting times.

The Trust's action plan is based on the key actions to improve the patient's experience at NBT. A working group of health care professionals worked with patients to develop an improvement plan.

Since April 2017 funding from NHS England and Macmillan Cancer Support has been used, for example, to enhance the Cancer Support Worker role both for inpatients and outpatients, as well as the deployment of dedicated physiotherapists, dieticians and psychologists support in addressing patients' holistic needs and to deal specifically with the side effects and consequences of cancer and its treatment. All patients are offered a holistic needs assessment and an individualised care plan and encouraged to attend a health and wellbeing event at the time of diagnosis and at the end of treatment.

Our Macmillan Wellbeing Centre continues to be a flagship for NBT, providing a vast range of information, support and provision of services with over 16,000 people affected by cancer and their families using the Centre in 2018.

Urgent and Emergency Care Survey 2018, published in 2019

This survey is undertaken every 2 years. The response rate was 30%, remaining the same as the previous survey in 2016 and in line with similar organisations. The survey results were reviewed with staff and patients to identify areas for improvement.

Maternity Survey 2019, published January 2020

This survey is undertaken every year. The response rate was 41%, down by 3% on the previous years. The average response rate of similar organisations was 36%.
The areas most improved from the previous year's survey were:

- Discharged without delay.
- Partner / companion involved.
- Found decisions as to how to feed their baby were respected by midwives.
- Involved enough in decisions about their care (antenatal).
- Offered a choice of where to have baby.

Following a review of the Friends and Family Test (FFT) feedback across the maternity care pathway, information from complaints and concerns as well as reviewing survey scores against the previous year's improvement areas were identified.

Patient and Public engagement

This year has we have actively engaged more with patients and the public in service improvement and development.

Working with the Bristol Care Forum, workshops were undertaken in Bristol including people from across voluntary sector organisations as well as members of the public. The purpose was to seek to understand patients' experiences of coming to outpatient appointments at North Bristol NHS Trust from the point of referral, to the point of discharge or getting another review appointment, in order to build on good practice and identify where improvement must be made.

This feedback continues to be integrated into the outpatient improvement programme work streams which include a patient communication group. There is also ongoing engagement between patients and staff in developing and implementing the Digital Strategy across the Trust.

Healthwatch

We continue to have positive relationships with Healthwatch for Bristol, South Gloucestershire and NE Somerset. Representatives are key members of the Patient Experience Group. Feedback from the public is provided to primary and secondary health organisations enabling response to be made and the feedback shared with the relevant services. We have responded to the Healthwatch England publication '*Shifting the Mindset – A closer look at hospital complaints*' (January 2020) by integrating the recommendations into our improvement programme for the management of complaint and concerns. This will be monitored through the Patient Experience Group.

Patient Partners

Our Patient Partnership Group continues to meet regularly and acts as a reference group for service reviews and improvements, and raises matters with services across the Trust based on patient feedback. The views of this group have been taken into account on numerous projects in the past year, including:

- The development of the Quality Strategy and Quality Account priorities.
- Giving a patient perspective on the process and approach on the use of the ReSPECT document. This is a process (and a document) that creates personalised recommendations for a person's clinical care in a future emergency in which they may not be able to make or express choices.
- Development of feedback survey for medical illustration.
- Improvements in the patient check in kiosk.
- Patient involvement in research.
- Prioritisation of areas for improvement from national surveys.

Partners continue their valued contribution as active participants of many governance groups including the Quality Governance Improvement Programme, Risk and Safety Groups, Patient Experience Group, Resuscitation Group and others. Their involvement in the appointment of staff at all levels continues and is greatly valued.

Volunteering

Many volunteer roles and services, established over the past two years continue to grow and develop. These include Pets as Therapy, Creative Companions, Macmillan volunteers and peer mentor support services from other voluntary sector organisations such as Brigstowe, who support those with HIV.

This year has also seen some exciting developments in volunteering opportunities. These include:

- The Movemaker team received the prestigious Queen's Award for Voluntary Service.
- Establishment of the Purple Butterfly volunteer team. These volunteers are trained and supported to be alongside patients at the end of their life in order to help ensure that no patient dies alone. The pilot phase is focusing on three wards in NBT.
- Development of a Response Volunteer role and team is underway, with funding from NHS England. The purpose of this role is to provide assistance to patients to leave hospital in a timely and informed way, thus providing a positive experience, reducing delays and improving the flow of patients through the hospital.

- The ‘Meal Time Support’ volunteer role is being refreshed with revised training for volunteers and the intention to recruit. This role will provide an opportunity for staff to volunteer in their lunch break or after work.
- ‘Friendly Faces’ volunteer role, to support people with dementia in hospital.
- We have improved our links with the local community this year with Neighbours Connect Southmead.
- We have linked with ‘Helpforce’ and are part of the ‘Helpforce’ learning network, which is an invaluable resource.

Fundraising - Southmead Hospital Charity

Working to support the Trust, Southmead Hospital Charity funds innovative and nurturing projects which improve the care our patients and visitors receive, projects which help support and develop our staff, and research to continue the advancement of science and healthcare treatments.

Thanks to our donors, fundraisers and volunteers our impact is created by funding pioneering research projects, supporting innovative cutting edge equipment, supporting improvements to the hospital’s environment and helping to fund health and wellbeing projects for our staff and patients.

Every pound donated to Southmead Hospital Charity stays local, and everything we fund enriches the healthcare the Trust provides, supporting 800,000 people locally, and over four million people across the South West and beyond.

In 2019/20 we received £3.1m through fundraising and donations and in total we supported the hospital by funding over £2m projects across the Trust.

Prostate Cancer Care Appeal

We started the year with some wonderful news. Thanks to the hard work of our dedicated volunteers and fundraisers, and the generosity of our donors, we reached our goal of funding two state of the art surgical robots to support the Trust’s leading Urology team. Our appeal received tremendous support from community fundraisers, corporate partners, individual donors, and Trusts and Foundations.

We are indebted to everyone for their support and generosity, allowing NBT to remain at the forefront of prostate cancer care. This enables many more men with prostate cancer to be treated, as well as expanding the service to treat patients with other cancers like bladder, kidney and gynaecological from across Bristol and across the South West.

We are proud to have funded many projects over the last year, including:

- A new biometric fingerprint entry system which allows parents easier access to the Neonatal Intensive Care Unit (NICU) to see their babies at Southmead

Hospital. The Trust is the first in the South West region to introduce biometric technology, giving parents quicker and easier access to NICU so that they can see their babies whenever they wish, with secure entry.

- Through the Hospital's Fresh Arts Programme we support a range of projects. The interaction improves patients' mental and physical wellbeing by actively reducing social isolation. Specifically for older patients, engagement in creative activities prevents unaided wandering. This reduces the risk of trips and falls, which can ultimately prolong hospital stays.
- Brain cancer tumour research - we continue to fund two PhD students to research new treatment options, and investigate early diagnosis of this disease.
- NICU flat – we fund much-needed accommodation for families who live away from Bristol but who have babies being treated in our Neonatal Intensive Care Unit, providing peace of mind and a private sanctuary for them to stay.
- Helpline for staff – as part of our support for the Wellbeing programme we have funded a round-the-clock helpline for staff who need assistance and counselling services.

To find out more about what we are looking to support in the future please visit www.southmeadhospitalcharity.org.uk.

Research and Innovation

This year more patients than ever had the opportunity to take part in research. We opened 101 new research studies enabling an additional 5584 people to participate in research.

NBT had huge success, being awarded six National Institute for Health Research (NIHR) grants designed and led by staff supported by our patient advisers. We now have a total portfolio of research grants worth £32 million. NBT led a regional project to help understand barriers to engaging staff in research across the NHS. This will help Research & Innovation design better engagement packages for both staff and patients; increasing opportunities for all.

NBT are leading a collaborative project across the West of England to ensure all patients have equal access to research. We set up a joint research team with Sirona to enable respiratory patients in the community access to greater research opportunities. Through this project three new studies were opened, enabling over a hundred patients to participate.

Research & Innovation was awarded the Investors in People silver accreditation and shortlisted as finalists in the employer of the year category for our programme of work supporting research staff to be a sustainable and talented workforce for the future; a very proud achievement.

We ran 40 sessions for patients to contribute to research design and help us make sure we are delivering the research that is important to our community. Patients and the public helped us decide which research to support with the Southmead Hospital Charity Research Fund, and we recently awarded £166,082 to support projects across NBT.

Next year we will focus more research towards priorities identified with our regional partners, focusing on improving the health and wellbeing of our community. We also aim to increase research in areas of new technology focused on transforming healthcare for the future.

Our People

Strategy

This year has seen the arrival of our new Director of People & Transformation and the People Team have worked with colleagues across the Trust to write the first Trust level People Strategy. This focuses on simple, easy to use policies and processes, digitisation of files and processes, and self-service for staff and managers. The new strategy and services will be launched in spring 2020.

Staff Engagement

The motivation and wellbeing of our staff is critical to us running exceptional health services and so we invest in a range of channels to both engage and seek feedback from our staff. We have held our first 'Festival of Engagement' giving staff the opportunity to chat informally with senior staff and to give feedback across a range of Trust initiatives. We repeated last year's successful 'Thank You Week' and our annual 'Exceptional Healthcare Awards' and quarterly 'NBT Heroes' events to show gratitude and celebrate success for all the amazing work being done by our teams. Our new VOICE project is constantly reviewing refreshing ways in which we can have continuing dialogue at all levels of the organisation.

In this year's national staff survey the key message from our staff was that we have accelerated on our journey of continuous improvement.

Some 4207 staff or 51% of NBT had their say via the survey in 2019, our highest ever response rate and higher than the national acute average of 47%. There were improvements in 73 of 90 questions compared to 2018.

Highlights of the survey results were:

- Engagement increased again from 6.9 to 7.1 out of 10 and is now higher than the national acute average.
- NBT as a place to work (rated 69%, an increase of 10%, and better than acute average of 63%).

- Standard of care (rated 80%, an increase of 6% and better than acute average of 71%).

Staff have noted that we have improved significantly in all target areas and in particular our focus on wellbeing. In 2019/20 we won the NHS Parliamentary award for Staff Wellbeing, and won awards in two categories at the national cross-sector Rewards and Employee Benefit Awards for Staff Wellbeing. This year we have expanded our Staff Wellbeing programme with two full time permanent psychologists dedicated to work specifically with Doctors and Consultants; identified four Junior Doctor wellbeing fellows who are now leading a Junior Doctor specific programme; we have installed a Green Gym on site; introduced regular education and support sessions focussing on the menopause; and much more.

Apprenticeships

NBT successfully reconfirmed its main provider status in November 2019 which enables the Trust to utilise part of its apprenticeship levy funding. The Trust has had another successful year delivering in-house apprenticeships through its membership of the South West Association of Training Providers. We have consecutively exceeded the public sector target of 2.3%, with a two year average of 2.99% of the workforce engaged in apprenticeships.

During 2019/20, NBT has continued to be a key member of the Healthier Together Sustainability and Transformation Partnership (STP) apprenticeship group and is still working to jointly procure apprenticeship provision. NBT has also worked closely with Higher Education Institutes to enrol staff on to apprenticeships in a variety of clinical and non-clinical areas. These include apprenticeships in healthcare science, leadership and management and nursing associates. Looking ahead to 2020/21 we will be working with key areas in the Trust to embed a “grow our own” model. This will mean new apprenticeships in areas that we are finding it challenging to recruit the right candidates.

One NBT Leadership programme

We launched our OneNBT Leadership programme in June 2019. This was developed through consultation with staff to develop a new approach based on a diagnostic understanding of our leaders’ strengths and areas for development. The programme is based around the NHS Health Leadership Model and aims to develop the capability and skills of our leaders. We have over 250 staff enrolled on the OneNBT Leadership programme and overall participants are close to 80% of our target for year one. The programme includes a series of positive action modules for staff who are of BAME origin. All staff are also supported through access to coaching, action learning and MBTI profiling. We will be recruiting for the second cohort in 2020 and have just been selected as a finalist for Leading Healthcare Workforce Initiative of the Year.

Clinical and mandatory training development

This year has seen a sustained improvement in the organisational Mandatory and Statutory (MaST) compliance figures ensuring that we have remained above the Trust target throughout. We have also introduced a significant number of additional eLearning programmes which has seen an increased usage year on year with 75% MaST being undertaken via this route. This allows for increased flexibility and reduced pressure on the clinical areas. There has also been an increase in the number of National Resuscitation Courses being undertaken, being only one of three Trusts who are able to support two European Trauma Courses in the UK. We have over 50 placement areas supporting the undergraduate multidisciplinary workforce, which sees in excess of 250 students each year and over 97% of HEE funded courses being currently undertaken.

Service Line Management (SLM)

Development of the SLM programme for senior leaders continued in 2019/20 with a series of master classes for participants. The masterclasses were well attended throughout the year, achieving an average attendance of 82%. A review of SLM has also taken place to identify ways to further devolve decision making down to specialty lead.

Just Culture: Improving People Practices

During 2019, the People team have started to implement a 'Just Culture' approach to people practices at NBT. This means creating an environment and ways of working in which managers and staff feel supported and empowered to speak up and learn when things do not go as expected or hoped, with an emphasis on fairness and accountability rather than blame and sanction. Additionally work is underway to revise all People Policies making them easier to use and access for both line managers and staff. We will offer line managers more support to handle difficult and complex cases and we have launched a new manager self-service Case Management System (the ER Tracker). The system provides better visibility and assurance for all formal HR cases and safer storage of confidential information.

Equality, Diversity & Inclusion

This year has been a really proactive year. We have launched our rainbow lanyards and pin badges, celebrated Black History Month with a nationally renowned Choir, as well as successfully winning a bid in securing funds to host our own internal dyslexia assessor. At the core of all of this activity has been the development of the organisational Equality, Diversity and Inclusion (EDI) approach - 'Valuing You' in which we set out our aspiration to Value You as a colleague and also Value You as a patient or carer. This approach will bring together all the mandated reporting such as

the Workforce Race Equality Standard and the Workforce Disability Equality Standard to develop priorities that have a positive impact on our colleagues, patients and carers. This year the Trust has gained momentum in supporting colleagues address inappropriate behaviours from patients and carers through the implementation of the Red Card to Racism campaign. This campaign has been shared nationally as good practice.

Freedom to speak up

Freedom to Speak Up (FTSU) is an arrangement arising from the recommendations in the Francis report (the Mid Staffordshire NHS Foundation Trust public enquiry). Effective speaking up arrangements help to protect patients and improve the experience of NHS workers.

FTSU Guardians have been in place at NBT since 2017 and are now well established. Guardians have been identified and recruited across different areas and groups within the Trust (including junior doctors, nursing, support and corporate staff), giving staff an additional route to raise issues and concerns, and enabling the Trust to respond and deal with concerns more effectively.

The number and type of concerns raised in 2019/20 are broadly in line with national expectations, covering patient safety and quality, staff behaviours and suffering detriment. The Board reviews this information twice a year, alongside other incident data and the annual staff survey, to ensure that themes are identified and appropriate action taken.

Health and safety

This year saw an increase in the number of incidents reported on DATIX, after four consecutive years of decrease. This can be seen as positive, as it illustrates a culture of reporting incidents when they occur. This was also reinforced in the 2019 staff survey results. However, the number of serious RIDDOR reported incidents also grew, particularly for “over 7 day lost time” incidents, which points to an increased likelihood of injury.

A review of suicide risk in the Trust was undertaken which resulted in work to ensure a safe environment including the development of an effective working partnership with Avon & Wiltshire Mental Health Partnership NHS Trust on the Southmead site.

In 2019 there has been an increase in overall Display Screen Equipment (DSE) and ergonomic assessments and support has been provided and measures taken to reduce the risks associated with DSE work.

Violence and Aggression from patients towards staff continued to be the biggest cause of Health and Safety reported incidents in the Trust. Work is ongoing to find

the right Trust-wide training programme to equip staff to defuse situations and avoid harm. In the short-term a successful pilot of the MAYBO training programme has been expanded to train at-risk staff in the clinical divisions to manage challenging or difficult behaviour.

Road Safety on the Southmead site has received ongoing focus. Incident numbers remained low, but the informal pedestrian crossings and road layout are not always understood by all parties. Additional signage and changes to road markings have been introduced along with a focus on communicating what is expected from drivers and pedestrians to ensure good standards of road safety.

Plans and challenges for 2020/21

Needle-stick injuries remain one of the incident types which are most difficult to address, and these have remained consistently at above 200 incidents in recent years. In 2020 the Trust expects to introduce safer hypodermic needles (a significant cause of incidents) which should result in a reduction of sharps-related incidents.

There are plans to increase the focus on fire safety through remediation works in the Trust's older estate, to address shortcomings identified in a 2019 survey. In the Brunel building, work will be undertaken to address a small number of construction defects relating to dampers. Additionally, Trust-wide additional work will take place to reduce fire alarm false activations.

As in previous years there will be a continued focus on increasing the visibility of the team throughout the Trust and ensuring we are seen as a friendly approachable team, providing good and effective support.

Sustainability

In 2019/20 the Trust declared both climate and ecological emergencies in recognition of the fact that we need to do more and at a faster pace to limit our contribution to climate change and the decline of biodiversity. As a healthcare provider we are subject to scrutiny over our contribution to protecting and enhancing the natural environment and it is a duty we take extremely seriously. We fully recognise the detrimental impacts our services can have on the environment and by association the impacts on health.

Our Trust strategy commits us to being an Anchor in the Community with the associated responsibilities for sustainable development, local product sourcing and population health and illness prevention. As part of this we will seek to urgently reduce our impacts and engage with our staff, patients, visitors and the local community to encourage them to do the same, for the benefit of public health and the natural environment for now and generations to come.

We have set targets to reduce our carbon emissions and will continue to produce a board-approved Green Plan (available online from October annually: www.nbt.nhs.uk/sustainablehealthcare) to deliver those targets.

Our sustainability work is led by the Sustainable Development Unit, supported by Simon Wood, Director of Estates, Facilities and Capital Planning and the Trust Chair, Michele Romaine and monitored by the Sustainable Development Steering Group.

Being an anchor in the community

Our sustainability work involves collaboration with the local, regional and national partners.

(a) Working with partners

Partner	Area of collaboration
"Healthier Together" Sustainability and Transformation Partnership	Development of an STP-wide Climate Change Adaptation Plan and other sustainability work streams.
Centre for Sustainable Energy's Warmer Homes Advice and Money service	Hosting a dedicated hospital-based resource for referring patients with cold homes
Bristol One City	Representing health on the Environmental Strategy Board, contributing to the Climate Strategy and supporting the Going for Gold Sustainable Food Cities bid
West of England Nature Partnership	Promotion of access to green space and nature
North Bristol SusCom	Pursuing sustainable travel options/infrastructure across the north of the city),
University of the West of England	Presenting to students and supporting the embedding of sustainability within the nursing curriculum.

(b) Using buildings and spaces to support communities

As part of our work as an anchor organisation we are investigating the best means of using our sites and buildings for wider benefit, including starting a project looking at the creation of onsite accommodation on our main site.

Our indoor and outdoor spaces are excellent venues to engage with staff, patients and visitors on sustainability. This year's events included:

National Clean Air Day	Awareness of indoor/outdoor sources of air pollution, staff pledges and 'Switch Off' signage erection
NHS Sustainability Day	Launch of Site Lines map, ecological and climate emergency, guided walks
Apple-pressing with the National Trust	Use of on-site pears/apples and community donations to produce fresh fruit juice
Plastic Pollution Awareness and Action Projects, Bristol One Tree per Child and The Woodland Trust	Community planting event
Sustainable Health and Care week at NBT	Musical instrument workshops using hospital waste with local band Q19

We recognise the huge importance of the provision, protection and enhancement of green spaces for staff, patient and wildlife benefit. We published our first Biodiversity Management Plan which highlights the critical part biodiversity has to play and how access to the natural environment is essential for our health and wellbeing.

In early 2020 NBT launched Site Lines; a map of the Southmead site highlighting routes exploring green spaces, exercise equipment/activities, sculptures and routes into nearby green spaces

(c) The NHS as an employer

During 2019, we ran our fourth year of Green Impact, a scheme which encourages simple and effective actions to support our objectives.

All new starters are introduced to sustainability as part of the Trust's corporate induction and have the opportunity to learn more through a number of training packages.

In December we launched the Southmead Hospital Charity-funded Green Gym which is open to staff, patients and the local community. We also completed the staff and patient allotment.

(d) Developing sustainably
(e)
We use the national Sustainable Development Assessment Tool (SDAT) annually to measure and benchmark our progress. The assessment requires comparison of the Trust's activities and performance against 295 criteria and across 10 modules. Since last year the Trust has improved its score from 58% to 63%.

Following the Climate Emergency Declaration NBT committed to a goal of zero carbon by 2030. We will now prepare a plan to determine the best way to achieve this, the timescales and resources required and the priorities.

For the first time this year each directorate/division has been required to identify the carbon hotspots across their services, prioritise the areas of highest risk and set actions for the forthcoming business planning round. The areas considered include:

Energy and Carbon	**Travel and Vehicle Use**	**Procurement of Goods and Service Contracts**	**Anaesthetics Inhalers and Greenhouse Gases**
Single Use Items e.g. plastics, packaging	**Waste**	**Water**	**Climate Adaptation and Resilience**

Adaptation to climate change

The Trust has been leading on the finalisation of the STP-wide Climate Change Adaptation Plan. Adaptation has been included in the Green Impact scheme, with criteria to encourage teams to discuss the possible impact and risks of climate change on their department. Together with local partners we planted more than 38 trees on site that will provide shade in the future during the longer periods of hotter weather that climate change is bringing.

Energy/Water/Waste

Full statistics on our actual consumption and associated carbon emissions will be reported in the Trust's annual Green Plan published publically in October 2020.

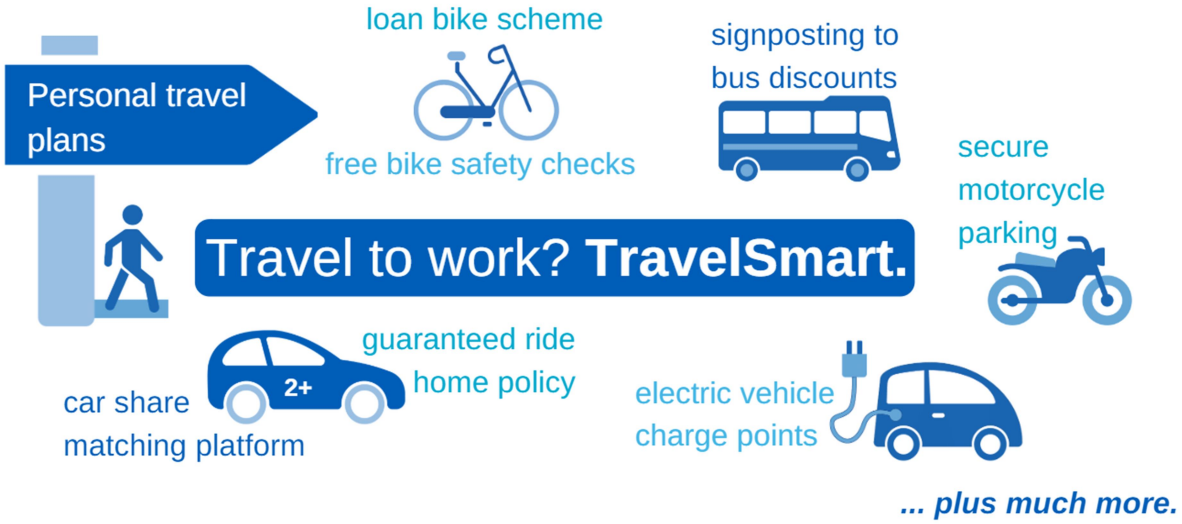
A key success for 2019-20 was the removal of contamination from our dry mixed recycling stream, resulting in it being accepted again for recycling. We were chosen as one of only eight sites across Europe, jointly with University Hospitals Bristol, to participate in the Health Care Without Harm (HCWH) Plastics in Healthcare project which is looking at reducing and substituting plastics and seeking solutions to allow greater recycling. Our waste reuse portal Warp-It, which reuses unwanted items of furniture from across the Trust has achieved total savings of £55,883, avoided 6,760 kg waste and saved 29,636kg CO2e this year.

Travel

To support the transport-related requirements of the NHS long term plan, the Clean Air Hospital Framework and the anticipated Bristol Clean Air Zone we commenced a scoping project to identify opportunities to centralise and rationalise our vehicle fleet, including opportunities for electric vehicles and minimum vehicle specifications. This work will be completed in 2020-21.

During 2019-20 the Trust has made good progress on the Travel Plan action plan. Our proudest achievement was accepting a Gold level award by the Travelwest Travel Plan Accreditation Scheme.

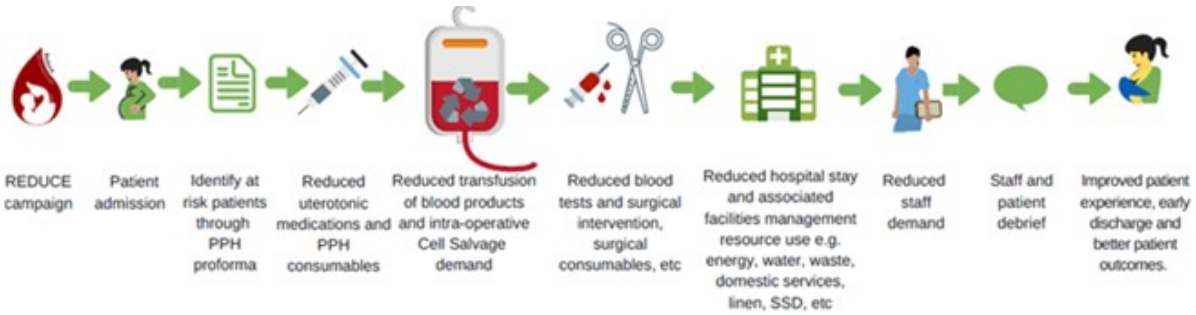
We continue to offer a wide variety of incentives to encourage staff to try more sustainable travel choices to and from work and we survey staff annually to monitor progress.



This year patient travel choices have been monitored for the first time via the check in screens in the Brunel Building Atrium. The results have shown that the majority of patients travel by private vehicles (as car drivers/passengers), with bus (10.7%) and walking (3.7%) being the next highest modes of travel. To support patients travelling to site to choose more sustainable modes of travel, we offer personal travel plans, a public transport hub outside our main entrance and access to electric vehicles charging points.

Sustainable models of care

Through the Green Impact scheme and Quality Improvement work we have been identifying existing and potential examples of sustainable care models. Some of



these have been quantified to determine estimated carbon savings, for example the Post-Partum Haemorrhage project which aimed to improve the experience of women at risk of postpartum haemorrhage during childbirth by reducing losses of over 1500mls of blood by 30%. This project reduced carbon through reducing bed days and the waste, energy, water, blood products associated with treating patients.

Purchasing more locally and for social benefit

Procurement remains the single largest element of our carbon footprint. During 2019-20 the Trust developed a sustainable procurement assessment tool which will be used by colleagues to ensure we consider the wider social and environmental impacts as part of delivering social value through our procurements.

This year our Catering Team celebrate 10 years of holding the Soil Association's Food for Life Served Here Silver and Bronze awards for patient and staff meals respectively. To build on the benefits of sourcing locally, using seasonal menus and freshly preparing the majority of meals, they have removed all plastic-based packaging material and substituted with the Vegware compostable range.

Accountability report

Corporate governance report

NHS bodies are statutorily obliged to prepare their annual report and accounts in compliance with the determination and directions given by the Secretary of State for Health. This section takes account of the Department of Health guidance for NHS trusts in the manual for accounts.

Directors' Report

The Trust Board

The Trust Board is a unitary board accountable for setting the Trust's strategic direction, vision and values, monitoring performance against strategic and operational objectives, ensuring high standards of corporate governance and helping to promote links between the Trust and the local community, including the local STP, Healthier Together.

The Trust Board is made up of the Chair, Chief Executive, four Executive Directors and six Non-Executive Directors all with voting rights. A number of additional executive directors attend the board in a non-voting capacity. As of 31 March 2020 there were no executive or non-executive vacancies.

The Trust Board meets regularly in public and invites questions from members of the public on any items covered during the meeting. In 2019/20 the board met six times in public, and undertook its Annual General Meeting (AGM) on 25 July 2019 to present the annual report and accounts.

The Board plays a key role in shaping the strategy, vision and purpose of the Trust. It is responsible for holding the organisation to account for the delivery of the strategy, quality and safety of healthcare services, and value for money. Day-to-day responsibility for implementing the Trust's strategy and delivering operational requirements is delegated through the chief executive to the executive directors and their directorates. Key duties are set out in the Trust's standing orders and standing financial instructions which are available on the Trust's website (https://www.nbt.nhs.uk/about-us/trust-board/standing-orders).

Trust Board and Committees

The board has established a number of committees to assist it to carry out its functions. The Board committees currently comprise of an Audit Committee, Finance and Performance Committee, People and Digital Committee, Quality and Risk Management Committee (QRMC), Patient and Carer Experience Committee, and a Nomination and Remuneration Committee. Terms of reference for these committees are reviewed on an annual basis, and they report to Trust Board following each meeting. Further detail on the composition and business of the board's committees are set out in the Annual Governance Statement below.

Audit Committee

Members of the Trust's Audit Committee in 2019/20 have been:

- Jaki Davis, Non-Executive Director (Chair)
- John Everitt, Non-Executive Director
- Tim Gregory, Non-Executive Director

External Auditors' Remuneration

The Trust's auditors are Grant Thornton. During the financial year there was expenditure of £86,640 (including VAT) for statutory audit services to the Group (£81,840 for the Trust). A further £8,000 (net of VAT) of non-audit work has been undertaken in 2019/20.

Public Sector Payment Policy – Better Payments Practice Code

In accordance with the Better Payments Practice Code and government accounting rules, the Trust's payment policy is to pay creditors within 30 days of the receipt of the goods or a valid invoice (whichever is the later) unless other terms have been agreed.

The Trust paid 82% of non-NHS invoices within 30 days compared with 73% in the previous year. Further details of compliance with the Code are contained in note 37 to the Annual Accounts

Fraud, Bribery and Corruption

The Trust's Counter Fraud & Corruption Policy sets out the arrangements that the Trust maintains to deter, prevent, detect and investigate instances of fraud, corruption and bribery carried out against the Trust and the wider NHS. The Trust maintains a qualified Local Counter Fraud Specialist (contracted from KPMG LLP) who ensures that the annual plan of proactive work minimises the risk of fraud within the Trust and is fully compliant with NHS Counter Fraud Authority counter fraud standards for providers. Counter fraud reports are presented to the Audit Committee at each meeting.

Modern Slavery

The Modern Slavery Act 2015 became statutory law from October 2015. The Trust has reviewed the controls it has in place to comply with the law and is assured that these are adequate. The controls in place include:

- Employment checks of individuals and of agencies which supply temporary staff; and

- Use of NHS General Terms and Conditions of Contract for Goods and Services which cover all suppliers to the Trust including medicines.

The Trust is a member of the Bristol and Weston NHS Purchasing Consortium (B&WPC), and is fully committed to B&WPC's aim to ensure that Ethical Procurement is at the forefront when having discussions with suppliers. B&WPC is working with the supply chain to set out a clear Code of Conduct for suppliers. This Code will support the principles in the United Nations Global Compact, the UN Universal Declaration of Human Rights and the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice.

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the policies, aims and objectives of North Bristol NHS Trust;
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Manage them efficiently, effectively and economically.
-

The system of internal control has been in place in North Bristol NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Governance framework

The role of the Trust Board is to govern the organisation effectively and in doing so, to build public and stakeholder confidence in the organisation and the services that it provides. The Board maintains overall accountability for the effectiveness of the

Trust's system of internal control. In 2019/20 it primarily discharged this responsibility through the receipt and review of:

- Quarterly reports on the Board Assurance Framework to ensure key risks were identified and controls or assurance gaps were being addressed;
- Regular reports from its Board Committees, including assurance that the committees were reviewing relevant strategic and operational risks and associated controls and actions at each meeting;
- An Integrated Performance Report providing internal assurances at monthly intervals on quality, finance, activity and workforce measures and other quarterly and six monthly measures on quality and safety, clinical governance and safe staffing; and
- External assurance sources, including the External Auditors review of the Trust's Quality Account and financial year-end accounts and value-for-money (VFM) opinion, the September 2019 report from the CQC and other external regulators as relevant.

Authority was delegated by the Board to various Board Committees and the role and terms of reference of these Committees were reviewed as part of the Board's commitment to improving and maintaining its governance processes.
From 1 April 2019 the Board instigated a number of changes to its Committee structure:

- The Workforce Committee was re-designated as the People & Digital Committee, and its terms of reference widened to include an assurance and oversight role for the Digital Strategy and informatics digital change programme. This Committee also took on oversight of health & safety from the Quality and Risk Management Committee;
- A Patient & Carer Experience Committee was created, tasked with raising the profile and visibility of patient experience at Trust Board level;
- The Trust Management Team was de-commissioned as a formal committee of Trust Board. It was subsequently re-commissioned as the Chief Executive's senior executive management committee; and
- The quality governance structures were updated to improve assurance routes to Trust Board (see "Quality Governance" section below.

Approved terms of reference for each of the Board's Committees and Trust Management Team are available on the Trust's website (https://www.nbt.nhs.uk/about-us/trust-board/committee-terms-reference). The formal Committee structure and information on each Committee is set out below:

Audit Committee

The Audit Committee provides independent and objective scrutiny of Trust activities through its membership, which consists of three Non-Executive directors. A number of Executive Directors, senior managers, Internal and External auditors are also in attendance. This Committee:

- Provides the board with assurance that there are arrangements for the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical);
- Ensures that there is an effective internal audit function put in place by management that meets mandatory NHS Internal Audit standards and provides appropriate independent assurance to the audit and risk committee, chief executive and board;
- Considers the findings of internal and external audit work and the management response and acts as the auditor panel, making recommendations to the board on appointment and removal of external audit partners.

The Chair of the Audit Committee is a qualified accountant with a strong background in corporate and public sector finance. The other Non-Executive members of the Audit Committee in 2019/20 comprised the chairs of the People & Digital Committee and the Finance & Performance Committee.

Finance and Performance Committee

The Finance and Performance Committee (F&PC) is the assurance committee responsible for overseeing the management of the Trust's finance and performance and providing assurance to the board the Trust's mechanisms for monitoring its finance and performance are robust and integrated. It also plays a key role in assessing significant business cases and making recommendations to Trust Board, and in overseeing key operational and finance strategic risks via the Board Assurance Framework.

In 2019/20, membership of this Committee comprised of three Non-Executives (one as committee chair) and four Executive Directors. A number of senior managers also attended regularly.

Quality and Risk Management Committee

The QRMC is responsible for ensuring that the Board is adequately assured in relation to all quality, clinical governance, and research matters. In 2019/20 its membership comprised of three Non-Executives (one of them as chair) and initially six Executive Directors. The number of Executive Director members was reduced in November 2019 to three (the Director of Nursing and Quality, Medical Director and Chief Operating Officer) with other Executives attending as needed.

This Committee's work focuses on ensuring that effective quality governance, risk management and regulatory compliance systems are in place and that effective actions are taken to identify and address deficiencies should they arise. This includes overseeing the Trust-level risk register (spanning both clinical and non-clinical risks across the Trust).

The Committee receives assurance via reports and presentations from specialist staff, reports on performance of systems against key performance indicators, progress against action plans to address identified gaps and internal/external audit reports.

People and Digital Committee

This Committee is the assurance function responsible for overseeing the management of the Trust's workforce and ensuring the Trust's mechanisms for driving change in its workforce, together with oversight and obtaining assurance on the delivery of the informatics digital change programme.

Specific responsibilities include:

- Developing and overseeing the workforce strategy;
- Oversight of the Trust's equality, diversity and inclusion agenda;
- Monitoring key workforce and informatics performance indicators;
- Scrutinising the delivery of the informatics digital change programme and its benefit realisation;
- Reviewing strategic and Trust-level workforce and informatics risks; and
- Receiving regular reports from the Guardian of Safe Working (which is a role introduced as part of changes to the junior doctor contract to protect patients and doctors by making sure doctors aren't working unsafe hours).

The Committee membership comprised three Non-Executives (one as chair) and five Executive Directors.

Patient and Carer Experience Committee

The Patient and Carer Experience Committee's purpose is to raise the profile and visibility of patient experience at Trust Board level and to provide assurance to the Board on those matters. The Committee reviews patient survey results, complaints data, and patient experience risks and sets the strategic direction for patient and

carer experience including the experience of patients with disabilities.

In 2019/20 the membership of the Committee was comprised of three Non-Executives (one as chair of the Committee), three Executive Directors and the Deputy Medical Director, as well as a patient representative. One of the Non-Executive positions on the Committee was vacant during 2019/20.

Nominations and Remuneration Committee

Trust Board maintains a Nominations and Remuneration Committee which meets to discuss and approve appointments and remuneration for Executive Directors and senior staff not on NHS Agenda for Change terms and conditions. The membership of this Committee is made up of the Non-Executives, with the Chief Executive also forming part of the membership when exercising decisions on executive appointments or dismissals. NHS Improvement, on behalf of the Secretary of State, appoints the Non-Executive Directors to the Trust.

Trust Management Team

In 2019/20, Trust Management Team (TMT) operates as the Chief Executive's senior executive management committee. In this capacity it supports the Chief Executive in the exercise of her delegated powers from the Trust Board, overseeing the day to day management of the Trust, and an effective system of integrated governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical). Membership of TMT comprises all Executive Directors, including the Chief Executive as Chair) together with the five Clinical Directors, five Divisional Operations Directors and other core functional leaders including the Director of Research and Innovation and Chair of the Medical Advisory Committee. In January 2020 the membership was extended to include the five Divisional Heads of Nursing / Midwifery / Allied Health Professions.

Trust Board members

Board members for the year ending 31 March 2020 are set out below. Biographies of existing board members can be located on the Trust's website.

Non-Executive Directors	Executive Directors
	Andrea Young, Chief Executive
Michele Romaine, Chair *(from 1 July 2018)*	Evelyn Barker, Chief Operating Officer and Deputy Chief Executive
John Everitt	Dr Chris Burton, Medical Director
Robert Mould	Catherine Phillips, Director of Finance
Jaki Davis	Helen Blanchard, Interim Director of Nursing & Quality *(to 10 November 2019),* Director of Nursing & Quality *(from 11 November 2019)*
Professor John Iredale	**Non-voting Executive Directors**
Tim Gregory	Jacqui Marshall, Director of People & Transformation *(from 1 April 2019)*
Kelvin Blake	Jacolyn Fergusson, Director of People and Transformation *(departed 5 April 2019)*
	Simon Wood, Director of Facilities
	Neil Darvill, Director of IM&T

Changes to the Trust Board

Unlike 2018/19, where the Trust Board underwent a period of considerable change, 2019/20 has been a stable year. Jacqui Marshall commenced as Director of People & Transformation at the beginning of the year. Helen Blanchard, Interim Director of Nursing and Quality since July 2018, secured the permanent position via a competitive recruitment process in November 2019.

Attendance at Trust Board and Committees:

Board member	Trust Board (public)	Trust Board (private)	Audit	FPC	QRMC ToR (members changed Dec 2019)	TMT	P&D (NED members changed mid-year)	Rem & Nom Co	Charities (membership changed during the year)	Patient and Carer's (NED members changed mid-year)
Michele Romaine	6/6	12/12	------	-------	2 (non-member)	-------	1 (non-member)	8/8	1/1	-------
John Everitt	6/6	10/12	5/5	5/6	-------	-------	-------	5/8	-------	-------
Robert	5/6	11/12	------	4/6	4/5	-------	1/3	8/8	-------	4/4

Mould										
Jaki Meekings-Davis	6/6	11/12	5/5	-------	-------	-------	3/3	7/8	3/3	-------
John Iredale	4/6	4/12	------	-------	4/5	-------	-------	5/8	-------	-------
Tim Gregory	4/6	11/12	4/5	5/6	-------	-------	5/6	7/8	-------	-------
Kelvin Blake	6/6	11/12	-------	-------	5/5	-------	6/6	6/8	2/3	2/2
Andrea Young	5/6	9/12	-------	-------	-------	9/12	-------	6/8	-------	-------
Evelyn Barker	5/6	11/12	-------	-------	3/5	9/12	1/6	-------	-------	-------
Chris Burton	6/6	12/12	-------	-------	5/5	9/12	5/6	-------	-------	-------
Helen Blanchard	6/6	11/12	-------	-------	5/5	10/12	5/6	-------	0/3	4/4
Catherine Phillips	6/6	11/12	4/5	4/6	-------	10/12	-------	-------	2/3	-------
Jacqui Marshall	6/6	12/12	-------	5/6	4/4	10/12	6/6	8/8	-------	3/4
Simon Wood	4/6	9/12	-------	-------	2/4	8/12	3/6	-------	-------	2/4
Neil Darvill	6/6	11/12	-------	5/6	4/4	9/12	6/6	-------	-------	-------

Board effectiveness and development

The Trust had intended to undergo a well-led developmental review in 2019/20 in line with NHS Improvement guidance; however this was superseded by a formal Care Quality Commission (CQC) well-led inspection in July 2019.

The inspection report from the CQC received in September 2019 identified the Trust as “Good” overall and “Outstanding” when assessed against the CQC’s well-led framework. This was a significant improvement on the Trust’s previous CQC inspection report (March 2018) where the Trust was rated as “Requires Improvement” for well-led. It reflects the significant improvement work that continues across the Trust to embed effective corporate, clinical and quality governance processes, and its investment in leadership at all levels.

In 2019/20 the Trust Board enjoyed stable membership, with all posts filled substantively, or in the case of the Director of Nursing and Quality, with an interim director who went on to secure the permanent position via a competitive recruitment process in November 2019.

A formal cycle of externally facilitated Trust Board development was commissioned in

2019, with three development days across the year involving all Board members. This focused on ensuring that the Board members were equipped to have effective and challenging discussions, and on finessing Board processes to ensure the meetings focused on strategic and system issues and delegated on its Committees to manage and escalate other elements of business effectively.

In 2019/20 the board maintained its focus and attention on patient care, with patient and staff stories presented at the beginning of each board meeting in public, usually presented by the patient or staff member directly. This has allowed board members to be exposed to both positive and negative feedback, and helped ensure that board business is focused on delivering high quality and effective care for patients, regardless of the topic under discussion.

Members of the Board undertake regular visits to clinical areas and speak to staff and patients.

Quality Governance

The Trust is fully compliant with the registration requirements of the CQC and maintains an active dialogue with the local inspection team to address any specific issues raised during the year and also to facilitate in year 'monitoring' visits undertaken by the CQC. In addition, the Trust reviews monthly publication of CQC Insight data which includes approximately 280 indicators aligned to the CQC's Key Lines of Enquiry (KLOE). This is reviewed through the Trust Management Team and QRMC.

In July 2019 the Trust was inspected by the CQC, with an overall rating of 'Good' awarded to NBT for the first time since their CQC inspection regime was instigated in 2013. This included Trust level ratings of:

An action plan has been implemented following the inspection and is being delivered effectively, with regular reporting to the Trust Management Team and QRMC.

Revised quality governance arrangements for the Trust were approved by the Board in January 2019 and implemented from April 2019. Throughout the year Executive

Director led committees have operated as follows:

- Clinical Effectiveness & Audit Committee;
- Patient Safety & Clinical Risk Committee;
- Safeguarding Committee;
- Drugs and Therapeutics Committee;
- Patient Experience Committee

The first four report into the QRMC chaired by a Non-Executive Director and the final Committee reports into the Patient and Carer Experience Committee also chaired by a Non-Executive. These revised governance arrangements contributed to the Trust's CQC rating of 'Outstanding' for the well-led domain.

During 2019/20 a significant programme of work was undertaken through the Clinical Governance Improvement Programme (CGIP). This delivered benefits across a wide range of quality governance related projects, including investment into clinical divisions to support divisional quality governance, re-establishment of a Patient Advice & Liaison Service (PALS), new trust-wide policies for MDT working and Patient Consent, strengthened risk management, complaints and Mortality and Morbidity frameworks and the restructured Trust level quality committees and groups referenced previously.

Independent quality assurance is provided through the Trust's internal audit programme. The outcomes are reported through the usual route to the Audit Committee but also through the Quality & Risk Management Committee and into the executive-led quality committees outlined above. Examples in 2019/20, reported by the internal auditors, were the Implementation of the CGIP Programme, Risk Management, Patient Safety Incident Reporting, Learning From Deaths and HTA compliance.
The Trust is now consulting upon its Quality Strategy for 2020-24 and will finalise this for Board approval in early 2020/21. This focuses on a range of quality goals within three overarching themes;

1. Exceptional Personalised Care
2. Safe & Harm free Care
3. Excellence in Clinical Outcomes

These themes pick up national and local priorities from the NHS Long Term Plan, the STP 'Healthier Together' Programme and the NHS Patient Safety Strategy and the Trust is well placed to progress towards its ambition to become 'outstanding' for quality.

Risk Management

As designated accountable officer, the Chief Executive has overall accountability for risk management in our Trust. The Director of Nursing & Quality leads on risk management at Board level.

Capacity to handle risk

We have had a strong focus on Risk Management at NBT in the last year with a Trust Board supported improvement project, overseen by the QRMC.

The risk management improvement project formed part of the trust-wide Clinical Governance Improvement Programme, with the project being built on the good work already achieved through the implementation of new risk management software in 2018/2019.

In partnership with the Clinical Divisions and Corporate Directorates, we re-designed the risk management system and process. This has improved knowledge and skills; focussing on simplicity and embedding the core components of risk management in a healthcare environment.

The project has been structured around identifying and assessing live risks and as a result the understanding of the Trust's risk profile has realigned as the project has progressed.

The Risk Management Strategy and Policy was subject to significant revision to reflect the new concepts and approaches. Building on new divisional governance resource we were able to further strengthen the governance arrangements for risk management.

Milestones achieved for 2019/20 included:

- May – Trust Board set risk appetite and tolerance
- July – New risk management strategy and policy published
- July – Clinical risk workshops commenced
- Sept – Rebuilt electronic risk system (Datix)
- Feb – Corporate risk workshops commenced and new style risk report to Trust Board

Key changes from the Risk Management Improvement Project in 2019/20

In order to bring simplicity and clarity to the Trust's risk management approach we introduced new terminology:

- The descriptor of "Trust Level Risk" (TLR). This is used to describe any risk that meets the risk rating threshold for its related risk type as set by the Trust Board. The Trust Risk Register is made up of all TRLs
- Executive Risk Sponsors (ERS) for all TRLs
- Accountable Committees: these are Board sub-committees, with all TLRs mapped to an appropriate Accountability Committee for oversight

Strengthening governance arrangements:

- Clear reporting mechanisms
- Standardised reporting templates
- Simplified risk module on Datix
- Revised risk management strategy and policy

Strengthening of ownership, knowledge & skills:

- Clinical Division and Corporate Directorate governance groups review their risks in line with the Trust policy
- All TRLs must be approved by the relevant Divisional/Directorate management team
- Upskilling key staff via full-day risk workshops, underpinned by the revised risk management strategy and policy and providing practical guidance on the process to identify, assess, approve, manage and report risk
- Ongoing coaching on risk management through existing governance structures

Accountable Committees

The overall responsibility for managing risk remains with the Chief Executive and assurance to the Board continues to be provided through the QRMC, chaired by a Non-Executive Director. The Board maintains oversight of the risk management system and reviews the Board Assurance Framework on a quarterly basis and Trust Level Risks every six months.

Approved subject-specific TRLs are also reported to other key Accountable Committees as appropriate, and these are highlighted to Trust Board via Committee reports.

During 2019/20 QRMC, as the main assurance committee, has received all trust level risks and reviewed progress on them at each meeting.

Risk Appetite

We held a risk seminar with Board members to determine the Trust's appetite and tolerance for risk. The Board's tolerance for risk informs the threshold for a TLR. The revised risk approval process strengthens divisional ownership of risk and aligns with the responsibilities of the new divisional governance leads.

The Patient Safety, Assurance and Audit team reviews the risk register to identify risks common across more than one division in order to aggregate the separate risks and assess as one.

The Risk and Control Framework

The Trust's risk strategy and objectives are in place to ensure a pro-active approach

to risk management by engaging staff at all levels in efforts to resolve risk locally. 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. There is an annual audit of risk management processes undertaken by our internal auditors which includes reference and comparison to best practice guidance and good practice in other organisations. Recommendations are acted upon by the Trust and this is overseen by the Audit Committee and QRMC.

As described in sections above, through 2019/2020, we have strengthened our approach to risk management. This has included the ways in which risks are identified, assessed and approved to ensure accuracy. In addition to the components described previously, we have a strong focus on identifying controls, gaps and mitigations to ensure that we have a proactive approach to managing risks.

Our approach to risk management is integrated with other supporting and co-dependent mechanisms. For example, themes and learning from incidents, investigations and audits form and contribute to our understanding of risk exposure. Discussions of new and emerging risks form a key part of our committee framework. For example, the Patient Safety and Clinical Risk Committee receives monthly updates on all patient safety risks rated as ≥9 as well as receiving reports on all TLRs across the Trust. This approach can also be seen in our Patient Experience Committee.

Board Assurance Framework

The Board Assurance Framework (BAF) defines and assesses the principle strategic risks to the Trust's objectives and sets out the controls and assurances in place to mitigate these. It was updated in 2019/20 to reflect the Trust's new five-year strategy and emerging 2020/21 business plan.

Each of the risks in the BAF have been aligned to the objectives within the Trust strategy, have their unmitigated, mitigated and target risk scores reported, and information showing the anticipated changes in rating over time. Gaps or areas where controls can be improved are identified which are translated into actions.

The BAF is reviewed by the Board in an ongoing quarterly cycle with key risk changes highlighted, and updates provided on any ongoing actions to improve risk control and mitigation. The Board's Committees also review relevant risks from the BAF at each meeting.

The BAF is used to inform the Internal Audit work programme, and audit outcomes are used to inform further actions, or are used by the Board as part of its assurance process that the risk is adequately controlled. The risks are also used to inform the work programmes Board's committees to ensure they are focusing on the key risks to the delivery of the Trust's strategy.

Risks to Data Security

Risks to data security are managed by the Informatics Division (IM&T) in a number of ways. Internally, any risks to Trust data can be raised on the Trust's risk register which, depending on risk type and score, may be reported to an Accountable Committee. On a day to day basis, any unusual IT activity can be reported by staff to our IT Service Desk to investigate further, i.e. for virus risks, phishing attacks etc. IM&T also monitor our network security boundaries to pick up and block any suspicious activity.

Externally, IM&T are an active member of the National Cyber Security Centre (NCSC) Cyber information sharing partnership (CiSP) which is a national forum for sharing security incidents and receiving advice and support. IM&T are subscribers to the NHS Digital CareCERT initiative and receive regular security advice and guidance on how to update our IT systems and prevent unauthorised access to our data. Continual improvement in our data security is also addressed through regular external cyber security audits and technical vulnerability testing, a programme of decommissioning end-of-life IT infrastructure, and advisory recommendations from the Information Commissioner's Office (ICO).

Strategic and Trust Level Risks

During 2019/20 the following key strategic risks on the Board Assurance Framework have been scored 16 or above, and monitored by the Board. They remain on the BAF moving into 2020/21:

Strategic Risk (16 or above)	Key actions to reduce or mitigate risk
Reduction in flow affects the performance of the hospital against the A&E, RTT, and DTOC targets. In turn this affects the financial performance of the organisation resulting in a loss of income and increased costs.	• Ongoing engagement in system initiatives focused on improving flow and reducing DTOCs • Engagement in the Sirona community services mobilization group • Winter planning and the implementation of winter initiatives to increase capacity
High levels of turnover and a lack of retention leads to increased instability in the workforce, potential skills shortages in key operational areas, and a lack of benefit from experience. This results in an increase in corporate resource required to manage the required recruitment activity, managerial capacity diverted from addressing operational issues, increased costs and reduced efficiencies.	• New retention initiatives implemented, including buying and selling annual leave, "itchy feet" campaign and leadership programme for band 5-7 • Revised pension offer to NBT medical workforce • Award-winning, nationally recognized staff health & wellbeing offering • Working with system partners to undertake STP-level career pathway review
The Trust has limited capital funding and many competing priories for	• Annual capital investment planning and prioritization processes

investment. Lack of investment in appropriate technologies and infrastructure in a timely manner impacts the ability of the Trust to deliver operational, financial performance and quality improvement.	• Implementation of a Chief Nursing Information Officer role • Clinical Digital Leads appointed for EPR programme • NBT Director of IM&T leads the STP Digital agenda, ensuring system alignment
A significant cyber-attack takes out the Trust's I.T. systems leading to an inability to treat patients and a potential loss of critical data.	• Windows 10 and Office 365 approved as part of 2019/20 capital plan, and fast-tracked in March 2020 as part of the Trust's Covid-19 response to ensure safe, effective and controlled home working by more staff using secure VPN access • Enterprise Network implemented and completed in Q4 2019/20
If population need outstrips NHS/LA funding the financial sustainability of the local NHS may deteriorate further, resulting in increased cost pressures, possible service closure, fewer resources to deliver national targets and a lack of resources (people and estate) to deliver required capacity within the current models of service delivery.	• Full engagement in BNSSG Healthier Together STP work-streams • Leveraging the function of local operational delivery networks hosted by NBT (vascular, trauma etc.) • Engagement in the long term plan development for BNSSG

In 2019/20 the Trust monitored TLR across the following themes:

- The risk of patient falls required focus during 2019/20. This has been mitigated through the use of training, safety briefings, Trust-wide falls meetings and the use of the falls prevention care bundle.

- Workforce pressures across a number of key areas including radiology, junior doctors in the emergency department, pharmacy and histopathology, with the potential to impact service delivery and patient experience. These risks have been mitigated through a combination of providing additional over-time opportunities and bank incentives, the use of agency/locum and additional bank staff where appropriate, outsourcing, and targeted recruitment initiatives.

- Workforce wellbeing and increasing patient/public violence and aggression against staff. The Trust has continued to invest in its award-winning and nationally recognised staff health and wellbeing programme. A bullying and harassment hotline is now in place for staff and training on how to manage violence and aggression has been rolled out in some parts of the Trust, with additional training planned into 2020/21.

- The emergence of the global novel coronavirus Covid-19 crisis in the final quarter of 2019/20. February and March 2020 has seen the NHS mobilise in response to the emerging global pandemic. Emergency Planning,

Preparedness and Response protocols have been initiated at NBT, with the Trust implementing central command and control to ensure the most effective and agile approach to this issue. The management of this pandemic will be the main focus of the Trust moving into 2020/21 and is likely to significantly disrupt normal services in the short to medium term. The Trust is feeding into regional and national response networks as appropriate, and ensuring it is as prepared as possible to care for its patients and support its staff.

Covid-19 governance & controls

From 16 March 2020 NBT implemented formal central command and control arrangements in response to the Covid-19 crisis:

- Silver Command: Meeting twice daily and overseeing the organisational response to the emerging pandemic. Silver Command is supported by a series of Bronze-level cells focusing on specific areas including workforce, communications, facilities, out-patients, divisional management teams, personal protective equipment, and finance and logistics.

- Clinical Reference Group: Bringing together senior clinical leaders from across the Trust, this group provides advice to both Silver and Gold Commands, and is responsible for determining clinical thresholds and guidelines.

- Gold Command: Chaired by the Chief Operating Officer with the Medical Director and Director of Nursing & Quality, Gold Command provides strategic direction and coordination and acts as a point of escalation for Silver Command. It is the key liaison with BNSSG Health and Care Silver Command and connects with regulators and other external bodies as appropriate. Gold Command is responsible for reporting to Trust Management Team and Trust Board on all Covid-19 related matters.

Trust Board ratified the command and control arrangements at its meeting on 27 March 2020, and agreed a series of amendments to the Trust's Standing Orders and Standing Financial Instructions, creating a streamlined process for financial decision making related to the Covid-19 response, while still maintaining appropriate risk-based controls. These amendments were also reviewed by the Trust's Audit Committee on 7 April 2020 to ensure they were robust and appropriate in the circumstances.

On 30 March 2020 NBT was identified as the host organisation for the NHS Nightingale Hospital Bristol, accountable for the setting up and operation of the new unit. This has involved the creation of a new Nightingale division within the NBT governance structure, and will be described in detail in the 2020/21 annual governance statement.

Principal Risks to compliance with the NHS Provider Licence condition 4

As an NHS trust, the Trust is exempt from the requirement to apply for and hold a

Provider Licence; however directions from the Secretary of State require the NHS Trust Development Authority to ensure that NHS Trusts comply with conditions equivalent to the licence as it deems appropriate. The Trust's regulators therefore base their oversight of all NHS Trusts on the conditions of the NHS Provider Licence.

In March 2019 the Trust agreed a series of enforcement undertakings with NHS Improvement under section 106 of the Health and Social Care Act 2012 to address identified areas for improvement and to repair identified breaches of condition four its licence.

These undertakings required improvements across the four-hour standard in the emergency department and the target for zero incomplete RTT pathways waiting over 52 weeks, together with the creation and delivery of a long term financial model leading to financial sustainability.

During 2019/20 the Trust has agreed a long term financial model with its regulators, and is in the process of applying to have the related regulatory undertaking lifted. It has also delivered significant improvements in the four-hour standard, which has consistently seen the Trust amongst the best performing organisations in the South-West region.

The Board has received regular reports on progress of these actions, and has undertaken performance deep-dives via its Finance and Performance Committee to ensure oversight of risks to delivery.

The principal risk to ongoing compliance with Provider Licence condition 4 continues to be achieving the target for incomplete RTT pathways waiting over the 52 weeks standard.

The Trust has historically experienced patients waiting in excess of 52 weeks on Referral to Treatment (RTT) pathways in a number of specialties. Exceptional actions have been taken to reduce the number of long waiting patients, including demand management through restrictions to access of services, outsourcing to the independent sector, waiting list initiatives and locum appointments to clear the backlog. The Trust's ambition to achieve zero patients waiting more than 52 weeks in 2019/20 has been held back by a number of factors, including:

- Complexities with accessing independent sector capacity;
- The impact of pension changes meaning that staff have not been available to take on extra waiting lists;
- Commissioner affordability; and
- The pressure of delayed transfers of care and stranded patients impacting the Trust's elective activity.

We are continuing to work with system partners to ensure that the number of patients waiting more than 52 weeks for elective surgery is minimized in 2020/21; however this is likely to be further impacted by the coronavirus Covid-19 outbreak in the UK.

Workforce Safeguards

In November 2019 the Board reviewed the approach the Trust takes to managing safe nurse staffing in accordance with the National Quality Board (2016), Developing Workforce Safeguards recommendations, NHS Improvement (2018), NICE guidance and self-assessment of the NHS Improvement recommendations for safe staffing.

The Board receives a six monthly report on Nursing and Midwifery staffing to provide assurance that the Trust has a clear validated process in place for monitoring and ensuring safe staffing in line with current national recommendations. The report in November outlined patient acuity and dependency data collected between 23 September and the 12 October 2019 across the adult inpatient and neo natal inpatient areas to consider the findings and make recommendations. Divisional Heads of Nursing & the Director of Midwifery reviewed the results and triangulated the findings with professional judgement in reaching conclusions and making recommendations.

The measures reviewed included the triangulated approach of the NQB expectations (July 2016) for safe staffing and has demonstrated the outcomes of the actions which have progressed over the past six months. Actions to support recruitment and retention and how staffing is managed daily to support safe and quality patient care were also included. Nurse staffing will continue to be reviewed daily by the Heads of Nursing however further work has been delayed due to the impact of Covid-19.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

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

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

The Board of Directors and its Finance and Performance Committee has received regular reports about the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial and operational performance

of the Trust and the delivery of CIP, and highlight any areas where there are concerns.

Internal audit has reviewed various systems and processes in place during the year and has published reports setting out any required actions to ensure economy, efficiency, effectiveness and use of resources. The outcomes of these reports are graded as to the level of assurance and are reviewed by the appropriate board committee.

The Trust has a savings target of £25m for the year, of which £22.1m was achieved £15.4m recurrent with a full year impact of £18.6m. A number of schemes planned for delivery in month 12 were deferred into 2020/21 as the prioritisation of Covid-19 preparation in March prevented their completion.

To achieve this level of saving, efficiencies have been delivered across a range of services. Specific examples include:

- Improvements to reduce length of stay for inpatients achieved in 2018/19 were maintained in 2019/2020
- Primary care streaming is in place (GP in ED) and improvements to Emergency Zone staffing
- Reduced bed requirement for expected levels of NEL activity through greater use of Same Day Emergency Care
- Developments of IM&T systems to support the digitalisation agenda and the first phase of the Trust Digital Strategy

Information governance

The Trust has reported six data security breaches in the last 12 months through the Data Security and Protection Toolkit (DSPT). The incidents, related to disclosure of personal identifiable information in error and one phishing attack which was reported to the Information Commissioner's Office (ICO). The ICO took no action against the Trust for the breach.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Quality Account is produced to a strict timetable that commences in January and supports the engagement in its production from clinical staff, internal and external stakeholders and Board review and final approval for the required deadline of 30th June for public publication. This includes review and scrutiny of the overall contents, selection of quality priorities and overall contents at the Trust's Patient Safety & Clinical Risk Committee, Patient Partnership Group, Patient & Carer Experience Committee and QRMC before review at Trust Board. Any unusual trends in data are investigated and considered in light of the narrative provided and in light of the wider knowledge of clinical services applied through the senior clinical and managerial leads included in those reviews.

An annual External Audit of the Quality Account is performed by the Trust's External Auditors, currently Grant Thornton. The audit includes two clinical indicators from the national 'picklist' as well as a broader review of compliance with the Quality Account regulations and in doing so a consistency check with other Trust information sources – for example comparing data within Board Integrated Performance Reports with that include in the Quality Account. The Trust has received unqualified audit opinions for the past four years.

For 2019/20, due to the impact of Covid-19, the Department of Health has announced that external audit will not be required of provider Quality Accounts. It is also anticipated that external bodies are unlikely to formally comment on the contents in the usual manner and that the deadline for submission will be extended beyond 30 June (awaiting formal confirmation on these points).

From 2019/20 an annual report is issued to the Trust's Finance & Performance Committee during Q1 which outlines the previous year's quality improvement activity and an improvement plan for the subsequent year.

Data Quality and Governance

Work has continued in-year to identify and address data quality issues. Issues are identified through a data quality reporting tool which highlights where review and remedial action is required. Issues can also be reported by system users across the Trust. The Trust has a number of Data Quality Marshalls who work within the hospital to holistically look at data pathways from input stage to reporting, to identify and take action to correct issues. Their role is to also ensure that capability in the workforce is increased through the provision of on-going engagement and consultancy across the organisation. In addition Data Quality is subject to internal audit and has maintained and built upon recommendations contained within an overall status of 'Significant Assurance with Minor Improvements'.

To provide data quality assurance we utilise monitoring tools both internally and externally.

Internally we own and develop our Data Quality Tracker, which is updated daily and made available to all staff. The Data Quality Tracker is one of the leading quality management products used by the Data Quality Marshalls within IM&T. The Tracker includes approximately 50 Key Performance Indicators covering all elements of the Referral to Treatment (RTT) patient pathway. The data is reviewed on a regular basis by all specialities and any data quality issues are validated and amended to ensure accuracy. Training issues are also identified by using the Tracker to ensure that staff are adhering to the SOPs that are in place.

There are various reports on the Data Quality Tracker relating specifically to waiting lists, for example, there is a report which identifies patients who should have been added to an elective waiting list. This is validated by specialities to ensure that all patients are added to the correct waiting list. In addition, there are monthly validation processes in place to ensure the quality of our national RTT submissions, which are signed off by the Associate Director of Performance prior to submission. The Trust has also implemented the RTT suite of reports, as recommended by the NHS Improvement Intensive Support Team, and continues to monitor RTT performance daily.

Externally, our Data Quality Marshalls work with Commissioners and CSU to understand measurable quality improvements from contractually mandated submissions. The outputs are circulated to Finance and Operations, and are used to structure data quality improvement plans, both externally mandated by commissioners and internally within the Trust.

In terms of governance, all data quality queries are logged, assigned, tracked, and ultimately resolved, engaging wider resources as required. There is a monthly North Bristol Trust Data Quality Meeting, focusing on all internal and external quality issues. The outcome from this Board is then visible internally to higher level quality forums and to the IM&T Committee, and externally to our commissioners via our

Data Quality & Improvement Plan Meeting, and Finance Information Group meetings, all of which are held monthly. In 2018/19 and again in 2019/20, this governance structure has continued to report Data Quality as Green and an area of increasing assurance. The success of our data quality agenda has seen no mandated quality improvement plan with our regional Commissioning group in 2019/20, and a drastically reduced quality improvement plan with NHSE Commissioning. There are no Data Quality Improvement Plans expected in 2020/21.

Modern Slavery

The Modern Slavery Act 2015 became statutory law from October 2015. The Trust has reviewed the controls it has in place to comply with the law and is assured that these are adequate. The controls in place include:

- Employment checks of individuals and of agencies which supply temporary staff; and
- Use of NHS General Terms and Conditions of Contract for Goods and Services which cover all suppliers to the Trust including medicines.

The Trust is a member of the Bristol and Weston NHS Purchasing Consortium (B&WPC), and is fully committed to B&WPC's aim to ensure that Ethical Procurement is at the forefront when having discussions with suppliers. B&WPC is working with the supply chain to set out a clear Code of Conduct for suppliers. This Code will support the principles in the United Nations Global Compact, the UN Universal Declaration of Human Rights and the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice, especially;

Child Labour - Suppliers shall not use child labour younger than the age of 15. In no event, especially when National Law or Regulations permit the employment or work of persons aged 13 to 15 on light work, shall the employment prevent the minor from complying with compulsory schooling or training requirements and being harmful to their health or development.

Forced Labour - Suppliers shall make no use of forced or compulsory labour.

Compensation and Working Hours - Suppliers shall comply with nationally applicable laws and regulations regarding working hours, wages and benefits.

Discrimination - Suppliers shall promote the diversity and heterogeneity of the individuals in the company with regard to race, religion, disability, sexual orientation or gender among others.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal

control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been notified that some service auditor reports have been issued later than normal this year, and that a key service auditor report relating to the Shared Business Services (SBS) has reported qualifications/ limitations due to difficulties in accessing sites as a result of the Covid-19 lockdown. I am reassured that this issue is not of significant concern as the SBS auditors are not reporting an issue with the controls, rather that they could not observe it in operation for a 2 week period as would usually be the practice.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the QRMC and a plan to address weaknesses and ensure continuous improvement of the system is in place:

- Executive Directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control (including but not limited to the Chief Operating Officer, the Director of Nursing & Quality and the Director of Corporate Governance) provide me with assurance;
- The Board Assurance Framework and its regular review via the Board's committees, provides me with evidence of the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives;
- Internal Audit provides me with an opinion about the effectiveness of the Board Assurance Framework and the internal controls reviewed as part of the Internal Audit plan;
- Work undertaken by Internal Audit is reviewed by the Board's committees (Audit, Finance and Performance, People and Digital, and QRMC);
- The Board has set a risk appetite for the organisation. Top risks on the Trust Risk Register are reviewed regularly by the Board's committees and by the Board on a quarterly basis. This provides me and the Trust Board with evidence of the effectiveness of controls in place to manage risks to achieving the Trust's principal priorities.

The Head of Internal Audit provides me with an opinion (HIAO) based on:

- An assessment of the design and operation of the underpinning Board Assurance Framework and supporting processes; and
- An assessment of the range of individual assurances arising from the risk-based internal audit assignments that have been reported throughout the period. This assessment takes account of the relative materiality of these areas.

The HIAO is one of "'significant assurance with minor improvements required". Internal auditors have confirmed that there is generally a sound system of internal control which is designed to meet the Trust's objectives and that controls in place are being consistently applied in all key areas reviewed.

My review is also informed by External Audit opinion, the 2019 inspection carried out by the CQC which commented positively on the Trust's governance structures and controls, and other external inspections and reviews.

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

- Trust Board's review of the Board Assurance Framework, including the risk register and internal audit reports on its effectiveness;
- Board Committees' review of the Trust risk register and divisional/directorate risk registers;
- Review of serious incidents and learning by the Executive Incident Review Meetings and the Clinical Risk Operational Group;
- Clinical Audits;
- National Patient and Staff Surveys;
- Internal audits of effectiveness of systems of internal control;
- The Trust's ongoing engagement with the CQC.

Conclusion

In 2018/19 the Trust identified three issues which it considered to be significant internal control issues; namely, financial performance, never events and MRSA Bacteraemia.

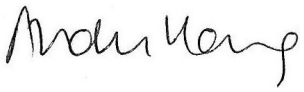
The Trust has reported four cases of MRSA Bacteraemia in 2019/20, a significant reduction in the nine cases reported in 2018/19, and a clear indication that the Trust's quality improvement initiative to reduce these infections has had effect. This is no longer considered to be a significant internal control issue.

There has been one Never Event in 2019/20, compared to the five reported in 2018/19. The 2019/20 Never Event related to the inadvertent administration of an oral liquid medication subcutaneously. The patient came to no apparent harm as a result of the incident, and a comprehensive action plan is being enacted to ensure there are no similar incidents in the future. Given the significant reduction in Never Events, they are no longer considered to be a significant internal control issue in 2019/20.

Taking into account the guidance provided by NHS Improvement on determining significant internal control issues, I have outlined below the issue which the Trust considers to be significant internal control issue in 2019/20:

Financial Performance

In 2019/20 the Trust has delivered a financial position that achieves its control total, and taking into account additional Financial Recovery Fund allocation, has delivered a financial surplus. Additionally, in line with the undertakings agreed with NHS Improvement in 2018/19, the Trust has produced a challenging but achievable Long Term Financial Plan. This plan gives further certainty on our financial position moving forward, and I have every expectation that the undertaking relating to financial performance will be lifted in early 2020/21. However, the Trust continues to operate with an underlying deficit and is not yet in financial balance or meeting its statutory duty to "break even". For these reasons, and until such time as the undertaking relating to financial performance is lifted and delivery of the plan is evidenced, the Trust still considers its financial performance to be a significant internal control issue

Signed....  ……..

Chief Executive Date: 23 June 2020

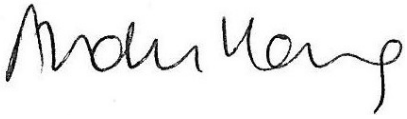
Statement of the chief executive's responsibilities as the accountable officer of the trust

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

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

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

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

Signed.....  .....Chief Executive

Date.....23rd June 2020.....

Statement of directors' responsibilities in respect of the accounts

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

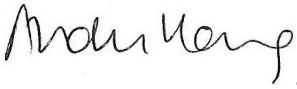
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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

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

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

By order of the Board

...23rd June 2020.....Date……..  .....Chief Executive

...23rd June 2020.....Date... .....  .....Finance Director

Remuneration Report

Salary and Pensions entitlements of senior managers 2019/20

Remuneration of senior managers (audited)

Name and title	2019-20						2018-19					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) Total (a to e) (bands of £5,000)	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	e) All pension-related benefits (bands of £2,500)	f) Total (a to e) (bands of £5,000)
Non-Executive Directors												
Frank Collins - Interim Chair Started 02/11/17 Left 30/06/18	-	-	-	-	-	-	10 - 15	700	-	-	-	**10 - 15**
Michele Romaine - Chair Started 01/07/18	40 - 45	5,800	-	-	-	45 - 50	30 - 35	100	-	-	-	30 - 35
Liz Redfern CBE - Non Executive Director Left 31/08/18	-	-	-	-	-	-	0 - 5	200	-	-	-	0 - 5
John Everitt - Non Executive Director	5 - 10	300	-	-	-	5 - 10	5 - 10	-	-	-	-	5 - 10
Kelvin Blake - Non Executive Director Started 01/02/19	5 - 10	-	-	-	-	5 - 10	0 - 5	-	-	-	-	0 - 5
Robert Mould - Non Executive Director	5 - 10	300	-	-	-	5 - 10	5 - 10	-	-	-	-	5 - 10
Jaki Davis - Non Executive Director	5 - 10	200	-	-	-	5 - 10	5 - 10	-	-	-	-	5 - 10
John Iredale- Non Executive Director	5 - 10	-	-	-	-	5 - 10	5 - 10	-	-	-	-	5 - 10

Tim Gregory - Non Executive Director	5 - 10	100	-	-	-	5 - 10	5 - 10	-	-	-	-	5 - 10
Executive Directors												
Andrea Young - Chief Executive	190 - 195	-	-	-	-	**190 - 195**	190 - 195	-	-	-	-	190 - 195
Catherine Phillips - Director of Finance	145 - 150	100	-	-	45 - 47.5	**190 - 195**	140 - 145	100	-	-	-	140 - 145
Chris Burton - Medical Director	170 - 175	-	-	-	22.5 - 25	**195 - 200**	185 - 190	-	-	-	97.5 - 100	285 - 290
Evelyn Barker - Chief Operating Officer and Deputy Chief Executive from 01/01/19	165 - 170	16,700	-	-	-	**180 - 185**	150 - 155	18,100	10 - 15	-	-	175 - 180
Kate Hannam - Director of Operations Left 27/02/2019	-	-	-	-	-	-	280 - 285	-	-	-	25 - 27.5	305 - 310
Sue Jones - Director of Nursing and Quality	-	-	-	-	-	-	110 - 115	-	-	-	45 - 47.5	160 - 165
Helen Blanchard - Director of Nursing and Quality	130 - 135	3,300	-	-	30 - 32.5	**165 - 170**	100 - 105	-	-	-	112.5 - 115	210 - 215
Corporate Directors												
Neil Darvill - Director of Informatics	125 - 130	-	-	-	65 - 67.5	**190 - 195**	120 - 125	-	-	-	-	120 - 125
Simon Wood - Director of Estates, Facilities & Capital Planning	115 - 120	100	-	-	17.5 - 20	**135 - 140**	110 - 115	100	-	-	2.5 - 5	115 - 120
Jacqueline Marshall-Dibble (started 1 April 2019)	145 - 150	-	10 - 15	-	32.5 - 35	**195 - 200**					-	
Jacolyn Fergusson - Director of People and Transformation	-	-	-	-	-	-	140 - 145	19,200	15-20	-	-	180 - 185

Salary

From 1 July 2018 to 30 September 2018, the Interim Director of Nursing and Quality, Helen Blanchard was on secondment from Royal United Hospitals Bath NHS Foundation Trust.

Jacqui Marshall commenced employment with the Trust as Director of People and Transformation, replacing Jacolyn Fergusson on 1 April 2019.

Included within the 2018/19 salary of the Director of Partnerships is a redundancy payment of £160,000.

The salary for the Medical Director, Chris Burton, for 2018/19 included a one-off payment in arrears following the regrading of the post to the lower quartile of medical directors in large acute Trusts.

Expense Payments

Expense payments within the Trust largely relate to taxable mileage expenses, some telephone rental expenses and, where applicable, relocation expenses.

The Trust's Chair, Michele Romaine (2019/20:£5,800), Chief Operating Officer, Evelyn Barker (2019/20: £16,700) and Director of Nursing and Quality, Helen Blanchard (2019/20: £3,300) received in-year living allowance payments. In 2018/19, both the Director of People and Transformation (Jacolyn Fergusson) and Chief Operating Officer (Evelyn Barker) received in-year living allowance payments of £18,000. This reflects the short and fixed nature of the contracts in recognition of living away from home during the week.

Performance Pay and Bonuses

In 2018/19, the Director of People and Transformation (Jacolyn Fergusson) received a performance related bonus contribution of £17,500, to recognise the complexity of the role and the deliverables strongly associated with the success of the Trust. Detailed quarterly objectives had been agreed and achievement of these signed off by the Chief Executive throughout the year.

In 2018/19, whilst in post as Interim Chief Operating Officer, Evelyn Barker received a bonus of £11,249 based on detailed quarterly objectives as reviewed and signed off by the Chief Executive.

The performance related bonuses were agreed by NHS Improvement and the Trust's Remuneration and Nominations Committee for these specific posts. These roles were difficult to recruit to and are critical to the Trust.

All Pension Related Benefits

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

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

Remuneration Policy

The Trust's approach to Remuneration Policy for Directors is in line with the guidance issued by NHS Improvement in order that directors' pay remains both competitive and value for money.

The Trust has a Remuneration and Nominations Committee that agrees the remuneration packages for executive directors.

Pay Multiples (audited)

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

The banded remuneration of the highest paid director in the organisation in the financial year 2019/20 was £190k-£195k (2018/19: £190k-£195k). This was 5.894 times (2018/19 6.4 times) the median remuneration of the workforce, which was £30,112 (2018/19 £30,213).

In 2019/20 two employees (2017/18 five employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £17,652 to £189,351 (2018/19: £17,460 to £273,518). The higher end of the remuneration range increased in 2018/19 due to a senior doctor being paid to work unsocial hours on a temporary bank contract.

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

Pension Entitlements of senior managers (audited)

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value 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
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Andrea Young - Chief Executive	(2.5) - 0	(2.5) - 0	75 - 80	230 - 235	0	0	0	0
Catherine Phillips - Director of Finance	2.5 - 5.0	0 - 2.5	55 - 60	135 - 140	986	46	1,077	0
Chris Burton - Medical Director	0 - 2.5	5.0 - 7.5	65 - 70	195 - 200	1,440	60	1,560	0
Evelyn Barker - Chief Operating Officer and Deputy Chief Executive from 01/01/19	(2.5) - 0	(15) - (10)	65 - 70	200 - 205	0	0	0	0
Helen Blanchard - Interim Director of Nursing and Quality Started 02/07/18	0 - 2.5	5.0 - 7.5	45 - 50	145 - 150	1,045	59	1,148	0
Corporate Directors								
Neil Darvill - Director of Informatics	2.5 - 5.0	5.0 - 7.5	45 - 50	135 - 140	985	77	1,104	0
Simon Wood - Director of Estates, Facilities & Capital Planning	0 - 2.5	2.5 - 5.0	55 - 60	170 - 175	1,324	59	1,431	0
Marshall-Dibble Jacqueline	2.5 - 5.0	0 - 2.5	0 - 5.0	0	0	19	41	0

Note: *There are no Cash Equivalent Transfer Value (CETV) figures as at 31 March 2020 for the Chief Executive or Chief Operating Officer and Deputy Chief Executive as they are over the normal retirement age and therefore the CETV calculation is not applicable.*

The Chief Executive re-joined the pension scheme at the end of February 2020.

Name and title	(a) Real increase in pension at pension age (bands of £2,500) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500) £000	(c) Total accrued pension at pension age at 31 March 2019 (bands of £5,000) £000	(d) Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 1 April 2018 £000	(f) Real increase in Cash Equivalent Transfer Value £000	(g) Cash Equivalent Transfer Value at 31 March 2019 £000	(h) Employer's contribution to stakeholder pension £000
Executive Directors								
Andrea Young - Chief Executive	0	0	75 - 80	225 - 230	1,718	0	0	0
Catherine Phillips - Director of Finance	0 - 2.5	0	50 - 55	130 - 135	851	86	986	0
Chris Burton - Medical Director	5.0 - 7.5	15.0 - 17.5	60 - 65	185 - 190	1,159	218	1,440	0
Evelyn Barker - Interim Chief Operating Officer 09/04/18 to 31/12/18. Chief Operating Officer and Deputy Chief Executive from 01/01/19	0	0	65 - 70	205 - 210	1,660	0	0	0
Kate Hannam - Director of Operations	0 - 2.5	0	40 - 45	90 - 95	557	92	683	0
Sue Jones - Director of Nursing and Quality	2.5 - 5.0	7.5 - 10.0	55 - 60	170 - 175	1,070	159	1,278	0
Helen Blanchard - Interim Director of Nursing and Quality Started 02/07/18	5.0 - 7.5	15.0 - 17.5	45 - 50	135 - 140	814	197	1,045	0
Corporate Directors								
Neil Darvill - Director of Informatics	0 - 2.5	0	40 - 45	120 - 125	819	73	935	0
Simon Wood - Director of Estates, Facilities & Capital Planning	0 - 2.5	0 - 2.5	55 - 60	165 - 170	1,159	115	1,324	0
Jacolyn Fergusson - Director of People and Transformation	0	0	0	0	0	0	0	0

Note: *The Director of People and Transformation has opted out of the NHS Pension scheme and therefore there are no employee or employer pension contributions made.*

There are no Cash Equivalent Transfer Value (CETV) figures as at 31 March 2019 for the Chief Executive or Chief Operating Officer and Deputy Chief Executive as they are over the normal retirement age, and therefore the CETV calculation is not applicable.

Past and present employees of the Trust are covered by the NHS Pension Scheme, details of this scheme are provided within the full accounts.

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 the accounts.

The tables of salary and pension entitlements of senior managers, including supporting notes, and the narrative notes relating to pay multiples have been audited.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's 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 arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to 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 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 their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase CETV

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

Staff Report

The Staff Report is subject to audit.

Staff Numbers (audited)

The Trust staff numbers are listed below. Senior Managers are listed as per the Remuneration Report.

	2019/20			2018/19
	Total	Permanently employed	Other	Total
	Number	Number	Number	Number
Average Staff Numbers				
Medical and dental	1,021	960	61	952
Administration and estates	1,745	1,585	160	1,530
Healthcare assistants and other support staff	1,676	1,422	255	1,747
Nursing, midwifery and health visiting staff	2,493	2,201	292	2,437
Scientific, therapeutic and technical staff	840	827	14	760
Healthcare Science Staff	646	637	8	609
Total	**8,421**	**7,632**	**790**	**8,035**
Of the above - staff engaged on capital projects	18	17	1	29

Staff Composition

		2019/20				2018/19		
		Male	Female	**Total**		Male	Female	**Total**
Board members		8	8	16		7	9	16
Other staff		2,199	6,207	8,406		1,964	6,055	8,019
Total		**2,207**	**6,215**	**8,422**		**1,971**	**6,064**	**8,035**
Total %		**26%**	**74%**			**25%**	**75%**	

Staff Costs (audited)

The table below shows staff costs:

		Group		
			2019/20	2018/19
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	310,240	0	310,240	284,886
Social security costs	29,866	0	29,866	27,638
Apprenticeship levy	1,476	0	1,476	1,372
Pension cost - employer contributions to NHS pension scheme	36,297	0	36,297	33,653
Pension cost - employer contributions paid by NHSE on provider's behalf	15,828	0	15,828	0
Pension cost - other	0	0	0	0
Other post employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	974	0	974	411
Temporary staff - external bank	0	0	0	0
Temporary staff - agency/contract staff	9,679	0	9,679	11,158
NHS charitable funds staff	414		414	0
Total gross staff costs	**404,774**	**0**	**404,774**	359,118
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	0	0	0	0
Recoveries from other bodies in respect of staff cost netted off expenditure	0	0	0	0
Total staff costs	**404,774**	**0**	**404,774**	359,118
Of which				
Costs capitalised as part of assets	844	130	**974**	1,244

Exit Packages (audited)

Reporting of compensation schemes – exit packages 2019/20 (audited)

The Exit packages agreed by the Trust are as follows:

Exit package cost band (including any special payment element)	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
	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s
Less than £10,000	1	4,987	37	149,745	38	154,732	0	0
£10,000 - £25,000	4	86,249	8	102,964	12	189,213	0	0
£25,001 - £50,000	9	308,931	0	0	9	308,931	0	0
£50,001 - £100,000	3	218,860	0	0	3	218,860	0	0
£100,001 - £150,000	1	101,638	0	0	1	101,638	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**18**	**720,666**	**45**	**252,709**	**63**	**973,375**	**0**	**0**

Reporting of compensation schemes – exit packages 2018/19 (audited)

Exit package cost band (including any special payment element)	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
	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s
Less than £10,000	1	1,000	27	93,699	28	94,699	0	0
£10,000 - £25,000	1	20,680	1	11,615	2	32,295	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	1	160,000	0	0	1	160,000	0	0
>£200,000	1	229,211	0	0	1	229,211	0	0
Totals	**4**	**410,891**	**28**	**105,314**	**32**	**516,205**	**0**	**0**

Redundancy and other departure costs have been paid in accordance with the provisions of the relevant contractual obligations and NHS Pensions scheme. Exit costs in this note are the full costs of departures agreed in the year. Where North Bristol NHS Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year.

Note: *the expense associated with these departures may have been recognised in part or in full in a previous period.*

Exit Packages: Other (non-compulsory) departure payments (audited)

	2019/20		2018/19	
	Agreements	**Total value of agreements**	**Agreements**	**Total value of agreements**
	Number	**£000s**	**Number**	**£000s**
Voluntary redundancies including early retirement contractual costs				
Mutually agreed resignations (MARS) contractual costs				
Early retirements in the efficiency of the service contractual costs				
Contractual payments in lieu of notice	45	253	28	106
Exit payments following Employment Tribunals or court orders				
Non-contractual payments requiring HMT approval				
Total	45	253	28	106
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

As a single exit package can be made up of several components each of which will be counted separately in this note, the total number above will not necessarily match the total numbers in the Exit Packages tables above, which will be the number of individuals.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

Sickness Absence Data and Pension Liabilities

	2019/20	2018/19
Total Days Lost	76,408	69,707
Total FTE Staff Years	7,614	7,259
Average working days lost per staff year	10	10

***Note**: Figures presented are per calendar year. Pension liabilities are detailed within the accounts under Note 10. The policy note for pensions is presented under note 1.5 detailing how pension liabilities are treated in the accounts. Salary and pension entitlements of senior managers has been provided within the Remuneration Report.*

Trade Union Facility Time as at 1 April 2020

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017.

Under the Regulations, North Bristol NHS Trust is required to publish the following information relating to trades union officials and facility time.

Trades Unions and numbers of representatives	
Staff who are Union representatives	55
Staff who are Union representatives (H&S only)	10
Staff who are Union representatives with regular paid facility time	9
Unions (covering the above) BDA (British Dietetic Association) BMA (British Medical Association) CSP (Chartered Society of Physiotherapists) FCS (Federation of Clinical Scientists) GMB RCM (Royal College of Midwives) RCN (Royal College of Nurses) SOR (Society of Radiographers) UNISON Unite	

Relevant Union Officials	
What was the total number of your employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials employed during the relevant period	Number of employees (WTE) in the organisation
65	7724.49

Percentage of time spent on facility time for each relevant union official
How many of your employees who were relevant union officials employed during the relevant period spent a) 0 - 50%, b) 51 – 99%, c) 100% of their time on facility time?

Percentage of time	Number of employees
0 – 50%	62
51 – 99%	2
100%	1

Percentage of pay bill spent on facility time
*What is the percentage of pay bill spent on facility time?**
0.044%

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?
100%

Staff Policies applied during the year

The Trust has a range of Human Resources policies that support staff and which are widely available on the Intranet.

In respect of disability, the Trust's Recruitment and Selection Policy and Guidelines sets out its commitment to ensuring that all staff, including those who are disabled, are treated fairly and equitably in relation to the appointment processes.

The Trust is now a Disability Confident employer guaranteeing an interview for disabled applicants who meet the person specification and to ensure reasonable adjustments are made.

The Trust has an Equality and Diversity Committee, which amongst others ensures that disabled persons have equal access to development and support.

The Trust monitors its employment and policies to ensure actions are taken to avoid unlawful discrimination whether direct or indirect.

Expenditure on consultancy

Expenditure on consultancy services was £339,000 (2018/19 £1,667,000) during the year.

Off Payroll Arrangements

As part of the 'Review of Tax Arrangements of Public Sector Appointees' the Trust is required to disclose the number of non-payroll arrangements which existed at 31 March 2020 and what action has been taken in regard to their tax status since that date.

From 6 April 2017 new rules for off payroll working in the public sector commenced. HMRC began the implementation of the reform of the intermediary's legislation (IR35) which means that responsibility for applying these rules now rests with the employer. As a result of this all off-payroll arrangements, irrespective of value, have been assessed using the HMRC on-line tool and steps taken to ensure that tax and national insurance is deducted correctly in line with the results of the tool.

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

	2019/20	2018/19
	Number	Number
Number of existing engagements as of 31 March 2020	10	8
Of which, the number that have existed:		
for less than one year at the time of reporting	4	2
for between one and two years at the time of reporting	4	2
for between two and three years at the time of reporting	1	3
for between three and four years at the time of reporting	0	0
for four or more years at the time of reporting	1	1

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:

	2019/20	2018/19
	Number	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	14	5
Of which:		
Number assessed as caught by IR35	14	5
Number assessed as not caught by IR35	0	0
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0	0
Number of engagements reassessed for consistency / assurance purposes during the year	0	0
Number of engagements that saw a change in IR35 status following the consistency review	0	0

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

	2019/20	2018/19
	Number	Number
Number of off-payroll engagements of Board members, and / or senior officers with significant financial responsibility, during the financial year	0	0
Total no. of individuals on payroll and off-payroll that have been deemed "Board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	16	18

North Bristol NHS Trust

Annual accounts for the year ended 31 March 2020

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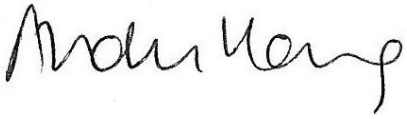
Statement of the chief executive's responsibilities as the accountable officer of the trust

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

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

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

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

Signed.....  .....Chief Executive

Date.....23rd June 2020.....

Statement of directors' responsibilities in respect of the accounts

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

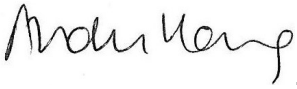
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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

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

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

By order of the Board

...23rd June 2020.....Date……..  .....Chief Executive

...23rd June 2020.....Date... .....  .....Finance Director

Independent auditor's report to the Directors of North Bristol NHS Trust

Report on the Audit of the Financial Statements

Qualified opinion

We have audited the financial statements of North Bristol NHS Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Taxpayers Equity, the Statement of Changes in Equity, the Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2020 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

Due to the national lockdown arising from the Covid-19 pandemic the Trust did not count all its physical inventories and we did not observe the counting of physical inventories at the end of the year. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities held at 31 March 2020, which have a carrying amount in the group and Trust Statements of Financial Position of £13m by performing other audit procedures. Related balances such as drug costs and supplies and services may be materially misstated for the same reason.

Consequently we were unable to determine whether any adjustment to these amounts were necessary. In addition, were any adjustment to these amounts to be required, the Annual Report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the

financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the group and Trust's continuing operational stability depends on finance that has not yet been approved. These events or conditions, along with the other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt about the group and the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

We draw attention to Note 1.5 to the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of land and buildings as at 31 March 2020. As disclosed in note 1.5 to the financial statements the valuation exercise was carried out in April 2020 with a revaluation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020, the valuer has declared a "material valuation uncertainty" in the valuation report. This is on the basis of uncertainties of 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. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate audit evidence regarding the Trust and group inventory quantities, which have a carrying amount in the Statement of Financial Position of £13,070,000 at 31 March 2020, and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2015 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not

required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- except for the possible effects of the matter described in the basis for qualified opinion section of our report, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 17 April 2019 we referred a matter to the Secretary of State under section 30(a) of the Local Audit and Accountability Act in relation to the Trust setting a deficit budget for the year ending 31 March 2020.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the Trust's services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

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

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of North Bristol NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Walling, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

24 June 2020

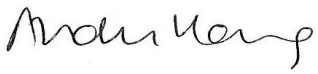
Consolidated Statement of Comprehensive Income

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	551,879	508,806	551,879	508,806
Other operating income	4	118,363	98,761	115,800	97,023
Operating expenses	6, 8	(634,480)	(573,769)	(632,512)	(572,364)
Operating surplus/(deficit) from continuing operations		**35,762**	**33,798**	**35,167**	**33,465**
Finance income	11	421	371	179	111
Finance expenses	12	(39,533)	(39,554)	(39,533)	(39,554)
Net finance costs		**(39,112)**	**(39,183)**	**(39,354)**	**(39,443)**
Other gains / (losses)	13	(233)	(100)	365	(397)
Surplus / (deficit) for the year from continuing operations		**(3,583)**	**(5,485)**	**(3,822)**	**(6,375)**
Surplus / (deficit) for the year		**(3,583)**	**(5,485)**	**(3,822)**	**(6,375)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	-	(4,894)	-	(4,894)
Revaluations	17	5,797	45,061	5,797	45,061
Total comprehensive income / (expense) for the period		**2,214**	**34,682**	**1,975**	**33,792**

Statements of Financial Position

	Note	Group 31 March 2020 £000	Group 31 March 2019 £000	Trust 31 March 2020 £000	Trust 31 March 2019 £000
Non-current assets					
Intangible assets	14	11,976	16,988	11,976	16,988
Property, plant and equipment	15	560,021	558,103	560,021	558,103
Other investments / financial assets	18	8,092	9,088	-	-
Receivables	21	4,000	8,500	4,000	8,500
Total non-current assets		**584,089**	**592,679**	**575,997**	**583,591**
Current assets					
Inventories	20	13,070	12,828	13,070	12,828
Receivables	21	72,842	72,621	72,628	72,619
Cash and cash equivalents	22	13,282	12,335	10,746	10,232
Total current assets		**99,194**	**97,784**	**96,444**	**95,679**
Current liabilities					
Trade and other payables	23	(64,431)	(68,777)	(64,226)	(67,982)
Borrowings	25	(189,076)	(70,798)	(189,076)	(70,798)
Provisions	27	(4,398)	(2,559)	(4,398)	(2,559)
Other liabilities	24	(3,710)	(3,654)	(3,710)	(3,654)
Total current liabilities		**(261,615)**	**(145,788)**	**(261,410)**	**(144,993)**
Total assets less current liabilities		**421,668**	**544,675**	**411,031**	**534,277**
Non-current liabilities					
Trade and other payables	23	(18)	-	(18)	-
Borrowings	25	(388,504)	(517,780)	(388,504)	(517,780)
Provisions	27	(674)	(791)	(674)	(791)
Other liabilities	24	(6,512)	(6,959)	(6,512)	(6,959)
Total non-current liabilities		**(395,708)**	**(525,530)**	**(395,708)**	**(525,530)**
Total assets employed		**25,960**	**19,145**	**15,323**	**8,747**
Financed by					
Public dividend capital		248,513	243,912	248,513	243,912
Revaluation reserve		149,139	146,453	149,139	146,453
Income and expenditure reserve		(382,329)	(381,618)	(382,329)	(381,618)
Charitable fund reserves	19	10,637	10,398	-	-
Total taxpayers' equity		**25,960**	**19,145**	**15,323**	**8,747**

The notes on pages 4 to 47 form part of these accounts.

Name 

Position **Chief Executive**

Date **23 June 2020**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**243,912**	**146,453**	**(381,618)**	**10,398**	**19,145**
Surplus/(deficit) for the year	-	-	(4,443)	860	**(3,583)**
Other transfers between reserves	-	(3,111)	3,111	-	**-**
Revaluations	-	5,797	-	-	**5,797**
Public dividend capital received	4,601	-	-	-	**4,601**
Charitable fund consolidation adjustment	-	-	621	(621)	**-**
Taxpayers' and others' equity at 31 March 2020	**248,513**	**149,139**	**(382,329)**	**10,637**	**25,960**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018	**242,522**	**106,286**	**(375,243)**	**9,508**	**(16,927)**
Surplus/(deficit) for the year	**-**	**-**	**(7,821)**	**2,336**	**(5,485)**
Impairments	-	(4,894)	-	-	**(4,894)**
Revaluations	-	45,061	-	-	**45,061**
Public dividend capital received	1,390	-	-	-	**1,390**
Charitable fund consolidation adjustment	-	-	1,446	(1,446)	**-**
Taxpayers' and others' equity at 31 March 2019	**243,912**	**146,453**	**(381,618)**	**10,398**	**19,145**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**243,912**	**146,453**	**(381,618)**	**8,747**
Surplus/(deficit) for the year	-	-	(3,822)	**(3,822)**
Other transfers between reserves	-	(3,111)	3,111	**-**
Revaluations	-	5,797	-	**5,797**
Public dividend capital received	4,601	-	-	**4,601**
Taxpayers' and others' equity at 31 March 2020	**248,513**	**149,139**	**(382,329)**	**15,323**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018	**242,522**	**106,286**	**(375,243)**	**(26,435)**
Surplus/(deficit) for the year	-	-	(6,375)	**(6,375)**
Impairments	-	(4,894)	-	**(4,894)**
Revaluations	-	45,061	-	**45,061**
Public dividend capital received	1,390	-	-	**1,390**
Taxpayers' and others' equity at 31 March 2019	**243,912**	**146,453**	**(381,618)**	**8,747**

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 19.

Statements of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		35,762	33,798	35,167	33,465
Non-cash income and expense:					
Depreciation and amortisation	6.1	26,235	22,796	26,235	22,796
Net impairments	7	4,094	(4,478)	4,094	(4,478)
Income recognised in respect of capital donations	4	-	(79)	(231)	(1,153)
Amortisation of PFI deferred credit		(77)	(77)	(77)	(77)
(Increase) in receivables		(445)	(13,968)	(379)	(13,899)
(Increase) in inventories		(242)	(1,616)	(242)	(1,616)
Increase / (decrease) in payables and other liabilities		(5,148)	1,927	(5,148)	1,927
Increase / (decrease) in provisions		1,718	(2,339)	1,718	(2,339)
Movements in charitable fund working capital		(736)	565	-	-
Other movements in operating cash flows		-	(130)	-	-
Net cash flows from / (used in) operating activities		**61,161**	**36,399**	**61,137**	**34,626**
Cash flows from investing activities					
Interest received		179	111	179	111
Purchase of intangible assets		(90)	(1,499)	(90)	(1,499)
Purchase of PPE and investment property		(20,880)	(12,535)	(20,880)	(12,535)
Sales of PPE and investment property		5,370	5,500	5,370	5,500
Receipt of cash donations to purchase assets		-	(38)	231	906
Net cash flows from charitable fund investing activities		398	515	-	-
Net cash flows from / (used in) investing activities		**(15,023)**	**(7,946)**	**(15,190)**	**(7,517)**
Cash flows from financing activities					
Public dividend capital received		4,601	1,390	4,601	1,390
Movement on loans from DHSC		193	15,681	193	15,681
Capital element of finance lease rental payments		(2,427)	(2,117)	(2,427)	(2,117)
Capital element of PFI payments		(8,075)	(9,429)	(8,075)	(9,429)
Interest on loans		(5,238)	(5,140)	(5,238)	(5,140)
Interest paid on finance lease liabilities		(254)	(59)	(254)	(59)
Interest paid on PFI liability		(34,233)	(34,212)	(34,233)	(34,212)
Net cash flows from charitable fund financing activities		242	260	-	-
Cash flows from (used in) other financing activities		-	-	-	-
Net cash flows from / (used in) financing activities		**(45,191)**	**(33,626)**	**(45,433)**	**(33,886)**
Increase / (decrease) in cash and cash equivalents		**947**	**(5,173)**	**514**	**(6,776)**
Cash and cash equivalents at 1 April		**12,335**	**17,508**	**10,233**	**17,009**
Cash and cash equivalents at 31 March	22	**13,282**	**12,335**	**10,747**	**10,233**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Note 1.2 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 1.3 Going concern

These accounts have been prepared on a going concern basis.

IAS 1 requires the group and Trust to assess, as part of the accounts preparation process, its ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector. These accounts have been prepared on a going concern basis. However, because the group and Trust's continuing operational stability depends on finance that has not yet been approved, in line with the Department of Health and Social Care Group Accounting Manual, this represents a material uncertainty that may cast significant doubt about the group and Trust’s ability to continue as a going concern.

The Directors, having made appropriate enquiries, still have reasonable expectations that the group and Trust will have adequate resources to continue in operational existence for the foreseeable future. As directed by the 2019/20 Department of Health and Social Care Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the group and Trust will continue to be provided in the foreseeable future. On this basis, the group and Trust has adopted the going concern basis for preparing the financial statements and has not included the adjustments that would result if it was unable to continue as a going concern. Further information can be found in Note 41.

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 £179,030k are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

Note 1.4 Critical judgements in applying accounting policies

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

An assessment of the Trust's Private Finance Initiative (PFI) scheme has been made and it has been determined that the PFI scheme in respect of the main hospital building should be accounted for as an on Statement of Financial Position asset under IFRIC 12. This is on the grounds that the Trust controls, or regulates through contract and key performance indicators, what services the PFI operator must provide with the property, to whom it must provide them and at what price. The Trust will control the residual interest in the building at the end of the contract term. The impact on the accounts is that the PFI buildings are included in the accounts as property, plant and equipment, and a financial liability is recognised relating to the remaining term of the PFI contract.

The PFI assets have been valued net of VAT, as the VAT is recoverable. In the event of an instant rebuild requirement, the default position of the contract is that the PFI operator would reinstate the building, which would remain VAT recoverable. The PFI contract is in place until 30 September 2045 and therefore it is considered reasonable to assume VAT recovery for the foreseeable future. The impact of VAT if the decision had been made to value the assets gross of VAT would be an increase in the valuation of the asset by £73m.

VAT on professional costs included in District Valuer's valuations on property assets based on Market Equivalent Valuations are recoverable on a modern equivalent build. If the VAT status should change, the impact of VAT would be an increase in the valuation of the asset by £2.7m.

These accounts have been prepared on a going concern basis. For further details please see Note 41.

Note 1.5 Key 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:

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Modern equivalent asset valuation of property - as detailed in note 1.7 items of property are periodically revalued to ensure that their book values are not materially different from their fair values. During the year the District Valuation Service provided the Trust with a valuation of its land and building assets and an assessment of their remaining useful economic lives. Specialised assets are valued on a depreciated replacement cost basis using hypothetical modern equivalent assets.

Future revaluations may result in further material changes to the carrying values of non-current assets. Many factors drive property values and the indices that under-pin the valuation. This is illustrated by the change in value between the draft valuation report prepared for the Trust in January 2020 and the final valuation at 31 March 2020. During this period, the forecast BCIS index changed from 321 to 338, and the location factor from 1.04 to 1.02, causing an decrease in value of £3.7m.

The valuation exercise was carried out in April 2020 with a revaluation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020, the valuer has declared a "material valuation uncertainty" in the valuation report. This is on the basis of uncertainties of markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Due to the Covid-19 crisis, the Government guidance regarding self-distancing and travel if only essential policy, the stock counts that were planned to take place at the end of March 2020 were severely affected. The auditors commenced a working from home policy from 16 March 2020 and could not attend the stock counts that were planned to take place. In addition, the stock counts relating to theatres were cancelled to release staff to care for patients and to ensure that patients and staff were protected from possible contamination. Stock areas that have been counted have been accounted for. However, a number of stock areas were not counted and there have been some judgements made in terms of the value to be recorded. The value of stock not counted is £3,515k, approximately 27% of the total. The average stock value per annum in total over the last 3 years equates to £11,800k per annum. If there was a 25% error this would equate to a value of £879k which is not considered material. Whilst the auditors are not able to validate stock values to the level they need to sign an audit opinion, the Trust management is content that the values held on the Statement of Financial Position; and by default the values charged through Operating Expenditure for drugs, supplies and services, is not a material mis-statement of the Trust's position.

Note 1.6 Consolidation

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

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

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

The accounting policies of the Charity are consistent with the Trust, with no variations against material balances.

The Charity's registered office is Southmead Hospital, Southmead Road, Bristol, which is also the Charity's principal place of business.

Note 1.7.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Payment terms are standard reflecting cross government principles. Significant terms include payment within 30 days.

Revenue from NHS contracts

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

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

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this and overall revenue is reduced by the value of the penalty.
The effect of readmissions for North Bristol NHS Trust is not material and is reflected in the contract baseline with commissioners.

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

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;
- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations as part of a contract that has an original expected duration of one year or less,
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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.

Revenue from research contracts
Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For multi-year contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme
The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when 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.

Legacy income
Legacy income in the Charity is accounted for once the receipt of the legacy becomes reasonably certain and it can be quantified. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once any conditions attached to the legacy have been fulfilled.

Note 1.8.1 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 1.9 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

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

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

National Employment Savings Trust

Where staff are not eligible for or opt out of the NHS Pension Scheme, they are entitled to join the National Employment Savings Trust (NEST), as part of the auto enrolment into workplace pension schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Note 1.10 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 1.11 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, 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.

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. Valuations of PFI assets include VAT at 0% on the basis that all VAT has been recoverable.

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.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. 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.

Assets in the course of construction are not depreciated until the asset is brought into use.

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 asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable ie:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Where lifecycle replacement works have been capital in nature, they are included as additions to Property, Plant and Equipment.

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

	Min life Years	Max life Years
Buildings, excluding dwellings	5	79
Dwellings	10	47
Plant & machinery	2	18
Transport equipment	5	10
Information technology	5	15
Furniture & fittings	4	31

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

Note 1.12 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably and where the cost is at least £5,000.

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 only where all of the following can be demonstrated:

• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
• the trust intends to complete the asset and sell or use it
• the trust has the ability to sell or use the asset
• how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
• adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
• the trust can measure reliably the expenses attributable to the asset during development.

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 under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

A review of the intangible assets was carried out in the year. IAS 38 requires the asset to be revalued at the lower of depreciated replacement cost and value in use where the asset is income generating. The Trust’s intangible assets support its income generating activities and there isn’t an open market for them. Hence the Trust considers historic amortised cost to be the most a reasonable estimate for value in use.

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

	Min life Years	Max life Years
Information technology	3	10
Software licences	3	10
Licences & trademarks	5	7

Note 1.13 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Please see Note 22 for inventories held.

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.

Note 1.15 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets are classified as subsequently measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

Trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 do not require to be initially measured at fair value.

Financial liabilities classified as subsequently measured at amortised cost or fair value through profit or loss.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets and financial liabilities at fair value through profit or loss

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.

Southmead Hospital Charity holds financial instruments measured at fair value through profit or loss.

Impairment of financial assets

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

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

Expected credit losses are calculated and provided for based on different classes of financial asset. A detailed table of provision for debt losses is given in Note 23.4

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

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

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

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

Note 1.16 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 trust as a lessee
Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

The trust as a lessor
Finance leases

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

Operating leases

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

Note 1.17 Provisions

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

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

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

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

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 27.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.18 Contingent Liabilities

Contingent liabilities are not recognised, but are disclosed in note 30, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.19 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.

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery 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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

As the Trust presently has negative net assets, no PDC dividend is payable.

Note 1.20 Value added tax

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

Note 1.21 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

Note 1.22 Third party assets

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

Note 1.23 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 Early adoption of standards, amendments and interpretations

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

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

IFRS 16 Leases -- Application was required for accounting periods beginning on or after 1 January 2019, however the Financial Reporting Advisory Board has taken the decision to defer the implementation until the 2021/22 financial year.
IFRS 16 Leases

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

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

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

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

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 from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 2 Operating Segments

The Trust is managed by the Board of Directors, which is made up of executive and non-executive Directors. The non-executive Directors bring expertise to the Trust and provide advice and challenge to the executive Directors. The executive Directors have responsibility for the day to day running of the Trust. The Board is therefore considered to be the chief operating decision maker of the Trust.

The Board receives regular reports on the financial performance and financial position of the Trust. These include a Statement of Comprehensive Income and a Statement of Financial Position, which are provided on a 'whole Trust' basis. It is therefore considered that the Trust has just one reportable segment, a healthcare segment. There are no other segments that constitute 10% or more of the Trust's operations. The Trust receives income from a number of healthcare commissioners, which are under the common control of the Department of Health and Social Care. The bodies involved and the respective income levels are disclosed in note 39 to these accounts and the Trust's total income from patient care and other operating activities is disclosed in notes 3 and 4.

The Group also includes a subsidiary charity which undertakes a number of charitable activities which are healthcare related. The results and net assets of the Trust are separately reported throughout these accounts. For the Charity the transactions and balances included in the Group's results and Statement of Financial Position are summarised as follows:

	2019/20 £000s	2018/19 £000s
Income	2,562	1,738
Expenditure	1,967	1,405
Net assets	10,637	10,398

Note 3 Operating income from patient care activities (Trust and Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.7.1

Note 3.1 Income from patient care activities (by nature)

	2019/20 £000	2018/19 £000
Elective income	98,848	96,022
Non elective income	162,956	149,516
First outpatient income	28,946	27,688
Follow up outpatient income	34,876	32,978
A & E income	16,746	13,672
through costs)	43,965	32,185
Other NHS clinical income	140,794	145,358
Private patient income	1,863	1,439
Agenda for Change pay award central funding*	-	5,029
Additional pension contribution central funding**	15,828	-
Other clinical income	7,057	4,919
Total income from activities	**551,879**	**508,806**

*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)

Income from patient care activities received from:	2019/20 £000	2018/19 £000
NHS England	197,113	168,023
Clinical commissioning groups	343,580	328,024
Department of Health and Social Care	412	5,029
Non-NHS: private patients	1,863	1,439
Non-NHS: overseas patients (chargeable to patient)	2,507	1,245
Injury cost recovery scheme	2,307	2,119
Non NHS: other	4,097	2,927
Total income from activities	**551,879**	**508,806**

All of the above related to continuing operations.

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

	Trust and Group	
	2019/20	2018/19
	£000	£000
Income recognised this year	2,507	1,245
Cash payments received in-year	228	199
Amounts added to provision for impairment of receivables	1,118	1,026
Amounts written off in-year	-	-

Note 4 Other operating income	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development	10,574	8,194	10,574	8,194
Education and training	20,025	19,596	20,025	19,596
Non-patient care services to other bodies	20,400	18,102	20,400	18,102
Provider sustainability fund (PSF)	10,360	23,154	10,360	23,154
Financial recovery fund (FRF)	21,040	-	21,040	-
Marginal rate emergency tariff funding (MRET)	541	-	541	-
Income in respect of employee benefits accounted on a gross basis	6,412	5,793	6,412	6,141
Other contract income	22,804	16,819	22,804	16,819
Other non-contract operating income				
Receipt of capital grants and donations	-	79	231	1,153
Charitable and other contributions to expenditure	18	334	408	358
Rental revenue from operating leases	2,928	3,429	2,928	3,429
Amortisation of PFI deferred income / credits	77	77	77	77
Charitable fund incoming resources	3,184	3,184	-	-
Total other operating income	**118,363**	**98,761**	**115,800**	**97,023**

All of the above related to continuing operations. -

Note 5 Additional information on contract revenue (IFRS 15) recognised in the period

	Trust and Group	
	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	291	2,839

Note 6.1 Operating expenses

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	2,767	2,504	2,767	2,504
Staff and executive directors costs	403,386	357,874	403,386	357,874
Remuneration of non-executive directors	97	80	97	80
Supplies and services - clinical (excluding drugs costs)	67,045	69,814	67,045	69,814
Supplies and services - general	9,859	9,362	9,859	9,362
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	46,048	43,886	46,048	43,886
Inventories written down	-	128	-	128
Consultancy costs	339	1,667	339	1,667
Establishment	5,766	5,251	5,766	5,251
Premises	26,611	23,055	26,611	23,055
Transport (including patient travel)	1,045	1,107	1,045	1,107
Depreciation on property, plant and equipment	23,639	20,157	23,639	20,157
Amortisation on intangible assets	2,596	2,639	2,596	2,639
Net impairments	4,094	(4,478)	4,094	(4,478)
Movement in credit loss allowance: contract receivables / contract assets	2,028	1,371	2,028	1,371
Increase/(decrease) in other provisions	728	(20)	728	(20)
Change in provisions discount rate(s)	(6)	(7)	(6)	(7)
Audit fees payable to the external auditor				
audit services- statutory audit	72	66	68	62
other auditor remuneration (external auditor only)	8	8	8	8
Internal audit costs	184	143	184	143
Clinical negligence	15,175	15,867	15,175	15,867
Legal fees	410	466	410	466
Insurance	421	605	421	605
Research and development	3,857	2,618	3,857	2,618
Education and training	1,578	1,836	1,578	1,836
Rentals under operating leases	7,311	7,964	7,311	7,964
Charges to operating expenditure for on-SoFP IFRIC 12 PFI scheme	6,116	6,040	6,116	6,040
Charges to operating expenditure for off-SoFP PFI scheme	166	139	166	139
Car parking & security	-	963	-	963
Other NHS charitable fund resources expended	1,964	1,401	-	-
Other	1,176	1,263	1,176	1,263
Total	**634,480**	**573,769**	**632,512**	**572,364**

All of the above related to continuing operations.

Note 6.2 Other auditor remuneration

	Trust and 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	-	-
2. Audit-related assurance services	8	8
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**8**	**8**

Note 6.3 Limitation on auditor's liability (Trust and Group)

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

Note 7 Impairment of assets (Trust and Group)

	Trust and Group	
	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Other	4,094	(4,478)
Total net impairments charged to operating surplus / deficit	**4,094**	**(4,478)**
Impairments charged to the revaluation reserve	-	4,894
Total net impairments	**4,094**	**416**

Note 8 Employee benefits

	Trust and Group	
	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	307,114	284,886
Social security costs	29,866	27,638
Apprenticeship levy	1,476	1,372
Employer's contributions to NHS pensions	52,125	33,653
Termination benefits	974	411
Temporary staff (including agency)	12,805	11,158
NHS charitable funds staff	-	-
Total gross staff costs	**404,360**	**359,118**
Recoveries in respect of seconded staff	-	-
Total staff costs	**404,360**	**359,118**
Of which		
Costs capitalised as part of assets	974	1,244

Note 8.1 Retirements due to ill-health (Trust and Group)

During 2019/20 there were 2 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £135k (£132k in 2018/19).

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

Note 9 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Where staff are not eligible for or opt out of the NHS Pension Scheme, they are entitled to join the National Employment Savings Trust (NEST), as part of the auto enrolment into workplace pension schemes. As at 31st March 2020 there were £14k of outstanding contributions (31st March 2019 £8k).

Note 10 Operating leases (Trust and Group)

Note 10.1 North Bristol NHS Trust as a lessor

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

	Trust and Group	
	2019/20	2018/19
	£000	£000
Operating lease revenue		
Minimum lease receipts	2,928	3,429
Total	**2,928**	**3,429**

	Trust and Group	
	2020	2019
	£000	£000
Future minimum lease receipts due from lease of land:		
- not later than one year;	-	219
- later than one year and not later than five years;	-	207
- later than five years.	-	104
Total	**-**	**530**

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Future minimum lease receipts due from lease of buildings:		
- not later than one year;	795	2,059
- later than one year and not later than five years;	2,252	1,807
- later than five years.	11,787	904
Total	**14,834**	**4,770**

	Trust and Group	
	2020	2019
	£000	£000
Future minimum lease receipts due from lease of other healthcare related assets:		
- not later than one year;	-	15
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total	**-**	**15**

	Trust and Group	
	2020	2019
	£000	£000
Future minimum lease receipts due from all leases:		
- not later than one year;	795	2,293
- later than one year and not later than five years;	2,252	2,014
- later than five years.	11,787	1,008
Total	**14,834**	**5,315**

The Trust has acted as lessor to a number of different NHS and non-NHS organisations in respect of land, buildings and other assets associated with the provision of healthcare in the Bristol area.

Note 10.2 North Bristol NHS Trust as a lessee

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

	Trust and Group	
	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	7,311	7,964
Total	**7,311**	**7,964**

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due for lease of land:		
- not later than one year;	5	12
- later than one year and not later than five years;	22	47
- later than five years.	536	24
Total	**563**	**83**

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due for lease of buildings:		
- not later than one year;	1,070	1,686
- later than one year and not later than five years;	3,814	4,273
- later than five years.	8,760	8,857
Total	**13,643**	**14,816**

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due for lease of other assets		
- not later than one year;	1,262	3,973
- later than one year and not later than five years;	1,673	1,327
- later than five years.	17	5
Total	**2,952**	**5,305**

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due for all leases:		
- not later than one year;	2,337	5,671
- later than one year and not later than five years;	5,509	5,647
- later than five years.	9,313	8,886
Total	**17,158**	**20,204**

Note 11 Finance income

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

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Interest on bank accounts	179	111	179	111
NHS charitable fund investment income	242	260	-	-
Total finance income	**421**	**371**	**179**	**111**

Note 12.1 Finance expenditure

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

	Trust and Group	
	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	5,064	5,143
Finance leases	254	59
Main finance costs on PFI scheme obligations	24,510	25,068
Contingent finance costs on PFI scheme obligations	9,701	9,272
Total interest expense	**39,529**	**39,542**
Unwinding of discount on provisions	4	12
Total finance costs	**39,533**	**39,554**

Due to changes in the NHS financing regime from 2020/21, any existing revenue loans outstanding from DHSC are to be replaced with Public Dividend Capital, PDC, during 2020/21.

Note 13 Other gains / (losses)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Gains on disposal of assets	602	321	602	321
Losses on disposal of assets	(237)	(718)	(237)	(718)
Total gains / (losses) on disposal of assets	**365**	**(397)**	**365**	**(397)**
Fair value gains / (losses) on charitable fund investments	(598)	297	-	-
Total other gains / (losses)	**(233)**	**(100)**	**365**	**(397)**

Note 14.1 Intangible assets - 2019/20

Trust and Group	Software licences	Licences & trademarks	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019	**25,675**	**77**	**439**	**2,237**	**28,428**
Additions	90	-	-	-	**90**
Reclassifications	(946)	13	(138)	(568)	**(1,639)**
Valuation / gross cost at 31 March 2020	**24,819**	**90**	**301**	**1,669**	**26,879**
Amortisation at 1 April 2019	**11,440**	**-**	**-**	**-**	**11,440**
Provided during the year	2,538	16	42	-	**2,596**
Reclassifications	803	7	57	-	**867**
Amortisation at 31 March 2020	**14,781**	**23**	**99**	**-**	**14,903**
Net book value at 31 March 2020	**10,038**	**67**	**202**	**1,669**	**11,976**
Net book value at 1 April 2019	**14,235**	**77**	**439**	**2,237**	**16,988**

Within the above reclassifications between classes of asset shown as occurring within 2019/20 are £4,123k of Valuation / Gross cost and £781k of Accumulated Amortisation which relates to reclassifications which occurred prior to 1st April 2019.

Note 14.2 Intangible assets - 2018/19

Trust and Group	Software licences	Licences & trademarks	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Gross cost at 1 April 2018	**24,838**	**5**	**439**	**1,047**	**26,329**
Additions	141	72	-	1,286	**1,499**
Reclassifications	761	-	-	(28)	**733**
Disposals / derecognition	(65)	-	-	(68)	**(133)**
Gross cost at 31 March 2019	**25,675**	**77**	**439**	**2,237**	**28,428**
Amortisation at 1 April 2018	**8,996**	**-**	**-**	**-**	**8,996**
Provided during the year	2,639	-	-	-	**2,639**
Reclassifications	(148)	-	-	-	**(148)**
Disposals / derecognition	(47)	-	-	-	**(47)**
Amortisation at 31 March 2019	**11,440**	**-**	**-**	**-**	**11,440**
Net book value at 31 March 2019	**14,235**	**77**	**439**	**2,237**	**16,988**
Net book value at 1 April 2018	**15,842**	**5**	**439**	**1,047**	**17,333**

Note 15.1 Property, plant and equipment - 2019/20

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019	**33,625**	**478,400**	**165**	**11,894**	**82,412**	**1,416**	**45,541**	**7,346**	**660,799**
Additions	-	2,431	-	2,090	10,985	129	5,377	573	**21,585**
Impairments	-	(4,094)	-	-	-	-	-	-	**(4,094)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	(43)	(5,931)	-	-	-	-	-	-	**(5,974)**
Reclassifications	45	4,793	-	(12,218)	(433)	-	8,899	85	**1,171**
Disposals / derecognition	-	-	-	(237)	(18,025)	(911)	(29,531)	(324)	**(49,028)**
Valuation/gross cost at 31 March 2020	**33,627**	**475,599**	**165**	**1,529**	**74,939**	**634**	**30,286**	**7,680**	**624,459**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**-**	**55,965**	**1,282**	**41,350**	**4,099**	**102,696**
Provided during the year	-	11,764	7	-	7,002	36	4,121	709	**23,639**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(11,764)	(7)	-	-	-	-	-	**(11,771)**
Reclassifications	-	-	-	-	(867)	(7)	(350)	(111)	**(1,335)**
Disposals / derecognition	-	-	-	-	(18,025)	(911)	(29,531)	(324)	**(48,791)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**44,075**	**400**	**15,590**	**4,373**	**64,438**
Net book value at 31 March 2020	**33,627**	**475,599**	**165**	**1,529**	**30,864**	**234**	**14,696**	**3,307**	**560,021**
Net book value at 1 April 2019	**33,625**	**478,400**	**165**	**11,894**	**26,447**	**134**	**4,191**	**3,247**	**558,103**

Within the above reclassifications between classes of asset shown as occurring within 2019/20 are £4,691k of Valuation / Gross cost and £1,248k of Accumulated Depreciation which relates to reclassifications which occurred prior to 1st April 2019.

Note 15.2 Property, plant and equipment - 2018/19

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	**40,900**	**434,912**	**165**	**4,325**	**88,456**	**1,354**	**45,157**	**10,262**	**625,531**
Additions	-	209	-	9,580	6,426	62	1,143	71	**17,491**
Impairments	(7,275)	(4,061)	-	-	-	-	-	-	**(11,336)**
Reversals of impairments	-	6,401	-	-	-	-	-	-	**6,401**
Revaluations	-	38,871	-	-	-	-	-	-	**38,871**
Reclassifications	-	2,094	-	(2,011)	(352)	-	(448)	(16)	**(733)**
Disposals / derecognition	-	(26)	-	-	(12,118)	-	(311)	(2,971)	**(15,426)**
Valuation/gross cost at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**82,412**	**1,416**	**45,541**	**7,346**	**660,799**
Accumulated depreciation at 1 April 2018	**-**	**-**	**-**	**-**	**60,930**	**1,228**	**39,413**	**6,306**	**107,877**
Provided during the year	-	10,703	7	-	6,322	54	2,362	709	**20,157**
Impairments	-	(3,100)	-	-	-	-	-	-	**(3,100)**
Reversals of impairments	-	(1,419)	-	-	-	-	-	-	**(1,419)**
Revaluations	-	(6,183)	(7)	-	-	-	-	-	**(6,190)**
Reclassifications	-	-	-	-	216	-	(123)	55	**148**
Disposals / derecognition	-	(1)	-	-	(11,503)	-	(302)	(2,971)	**(14,777)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**-**	**55,965**	**1,282**	**41,350**	**4,099**	**102,696**
Net book value at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**26,447**	**134**	**4,191**	**3,247**	**558,103**
Net book value at 1 April 2018	**40,900**	**434,912**	**165**	**4,325**	**27,526**	**126**	**5,744**	**3,956**	**517,654**

Note 15.3 Property, plant and equipment financing - 2019/20

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	33,627	104,724	165	1,529	28,386	141	8,466	3,284	**180,322**
Finance leased	-	-	-	-	-	-	6,185	-	**6,185**
On-SoFP PFI contracts and other service concession arrangements	-	367,414	-	-	-	-	-	-	**367,414**
Owned - government granted	-	-	-	-	62	-	-	-	**62**
Owned - donated	-	3,461	-	-	2,416	93	45	23	**6,038**
NBV total at 31 March 2020	**33,627**	**475,599**	**165**	**1,529**	**30,864**	**234**	**14,696**	**3,307**	**560,021**

Note 15.4 Property, plant and equipment financing - 2018/19

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	33,625	106,213	165	5,042	24,306	20	3,938	3,215	**176,524**
Finance leased	-	-	-	6,755	-	-	249	-	**7,004**
On-SoFP PFI contracts and other service concession arrangements	-	368,654	-	96	-	-	-	-	**368,750**
Owned - government granted	-	-	-	-	80	-	-	-	**80**
Owned - donated	-	3,533	-	1	2,061	114	4	32	**5,745**
NBV total at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**26,447**	**134**	**4,191**	**3,247**	**558,103**

Note 16 Donations of property, plant and equipment

In 2019/20 the Trust has received donations in respect of property, plant and equipment and intangible assets. In instances where cash has been received rather than the physical assets, there is no significant difference between the cash provided and the value of the assets acquired.

	Trust and Group £000s
Plant and machinery	187
IT	44
	231

Note 17 Revaluations of property, plant and equipment

The District Valuer, who is a member of the RICS and is independent of the Trust, undertook a valuation of the Trust's land and buildings as at 31 March 2020. These were previously valued as at 31 March 2019. The valuations were carried out in accordance with the RICS Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health & Social Care and HM Treasury. The valuations were undertaken in accordance with the Trust's accounting policy (see note 1) and on a consistent basis with valuations in previous periods.

In assessing the size of the land at Southmead Hospital of a modern equivalent asset consideration has been had that a lot of the accommodation is single storey and the equivalent modern building would be multi-storey. The valuation has been conducted on the assumption that the assets would remain on their existing sites as an appropriate alternative site to delivery services locally is not readily available.

The valuation has contributed to net downard valuations of £5,931k and net impairments of £4,094k within Property, Plant & Equipment.

The overall decrease in valuations is a result of the BCIS (all price) Tender Price Index (TPI) increasing to 338 compared with 321 in the prior year, along with the BCIS Location Factor decreasing to 1.02 compared with 1.04 in the prior year.

Note 18 Other investments / financial assets (non-current)

	Trust and Group	
	2019/20	2018/19
	£000	£000
Carrying value at 1 April	**9,088**	**9,306**
Acquisitions in year	1,379	1,012
Movement in fair value through income and expenditure	(598)	297
Disposals	(1,777)	(1,527)
Carrying value at 31 March	**8,092**	**9,088**

Note 19 Analysis of charitable fund reserves

North Bristol NHS Trust Charitable Funds have been consolidated within this set of accounts.

	31 March 2020 £000	31 March 2019 £000
Unrestricted funds:		
Unrestricted income funds	9,672	9,378
Restricted funds:		
Endowment funds	31	31
Other restricted income funds	934	989
	10,637	**10,398**

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 20 Inventories

	Trust and Group	
	31 March 2020 £000	31 March 2019 £000
Drugs	2,980	2,185
Work In progress	-	-
Consumables	9,970	10,473
Energy	120	170
Other	-	-
Charitable fund inventory	-	-
Total inventories	**13,070**	**12,828**

Inventories recognised in expenses for the year were £130,567k (2018/19: £128,869k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £128k).

Note 21.1 Receivables

	Group		Trust	
	2020 £000	2019 £000	2020 £000	2019 £000
Current				
Contract receivables	66,271	62,962	66,320	63,077
Capital receivables	4,130	5,000	4,130	5,000
Allowance for impaired contract receivables / assets	(8,732)	(6,704)	(8,732)	(6,704)
Prepayments (non-PFI)	6,431	7,979	6,431	7,979
PFI lifecycle prepayments	1,308	808	1,308	808
VAT receivable	1,627	2,434	1,627	2,434
Other receivables	1,544	25	1,544	25
NHS charitable funds receivables	263	117	-	-
Total current receivables	**72,842**	**72,621**	**72,628**	**72,619**
Non-current				
Capital receivables	4,000	8,500	4,000	8,500
Total non-current receivables	**4,000**	**8,500**	**4,000**	**8,500**
Of which current receivables due from NHS and DHSC group bodies:	50,455	55,663	50,455	55,663

Note 21.2 Allowances for credit losses - 2019/20

	Trust and Group
	Contract receivables and contract assets
	£000
brought forward	**6,704**
Changes in existing allowances	6,439
Reversals of allowances	(4,411)
Allowances as at 31 Mar 2020	**8,732**

Allowance for credit losses are calculated by class of debtor and the risk assessed for each asset class. A detailed table is provided in Note 21.4.

The Trust's definition of default is any debt which exceeds its terms of payment. The standard credit terms are 30 days from the date of invoice.

Debts are written off when there is no reasonable expectation of recovery and all routes available for attempting recovery have been exhausted.

Note 21.3 Allowances for credit losses - 2018/19

	Trust and Group
	All receivables
	£000
Allowances as at 1 Apr 2018	**6,167**
New allowances arising	2,930
Reversals of allowances	(1,559)
offs)	(834)
Allowances as at 31 Mar 2019	**6,704**

Note 21.4 Exposure to credit risk

Expected credit losses are calculated and provided for based on different classes of financial asset.
Debt provision table by classification of debtor.

Percentage and Amount provision by class of debtor and debtor days

	Debtor days					
Class of Debtor	**0-30 days**	**31-60 days**	**61-90 days**	**91-180 days**	**181-360 days**	**>360 days**
NHS receivables (£000)	7,626	188	4,941	3,025	(406)	4,575
NHS receivables (%)	0	0	0	0	0	0
Non-NHS receivables (£000)	2,108	1,007	429	1,255	1,614	2,541
Non-NHS receivables (%)	8	39	11	24	11	81
Overseas (£000)	176	70	174	446	383	2,902
Overseas (%)	76	68	100	84	96	90
Staff (£000)	0	0	0	0	0	185
Staff (%)	68	0	27	0	57	97
RTA (£000)	23	332	194	483	1,429	4,553
RTA (%)	22	22	22	22	22	22

The majority of the Trust's and Group's revenue comes from contracts with other public sector bodies, therefore there is low exposure to credit risk. The maximum exposures are in receivables from customers, as disclosed in the trade and other receivables note.

Note 22 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	**12,335**	**17,508**	**10,232**	**17,009**
Net change in year	947	(5,173)	514	(6,777)
At 31 March	**13,282**	**12,335**	**10,746**	**10,232**
Broken down into:				
Cash at commercial banks and in hand	20	15	20	15
Cash with the Government Banking Service	13,262	12,320	10,726	10,217
Total cash and cash equivalents as in SoFP	**13,282**	**12,335**	**10,746**	**10,232**

Note 23.1 Trade and other payables

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Current				
Trade payables	29,993	27,482	29,993	27,482
Capital payables	3,535	2,330	3,535	2,330
Accruals	30,188	30,680	30,188	30,680
Social security costs	193	3,884	193	3,884
Other taxes payable	72	3,414	72	3,414
Other payables	245	192	245	192
NHS charitable funds: trade and other payables	205	795		
Total current trade and other payables	**64,431**	**68,777**	**64,226**	**67,982**
Non-current				
Trade payables	18	-	18	-
Total non-current trade and other payables	**18**	**-**	**18**	**-**
Of which current payables due to NHS and DHSC group bodies:	11,050	5,369	11,050	5,369

Note 23.2 Contract Liabilities (Trust and Group)

The payables note above includes amounts in relation to deferred income liabilities in respect of maternity pathway income as set out below. The Trust expects the income to be recognised within one year.

	2020	2019
	£000	£000
Contract liability as at 1st April	2,884	2,839
Increase in contract liability during the year	2,884	2,884
recognised	(2,884)	(2,839)
Contract liability as at 31st March	**2,884**	**2,884**

Note 24 Other liabilities

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Deferred income: contract liabilities	3,633	3,577
Deferred PFI credits / income	77	77
Total other current liabilities	**3,710**	**3,654**
Non-current		
Deferred income: contract liabilities	4,614	4,986
Deferred PFI credits / income	1,898	1,973
Total other non-current liabilities	**6,512**	**6,959**

Note 25.1 Borrowings

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Loans from DHSC	173,639	55,710
Obligations under finance leases	2,426	2,644
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	13,011	12,444
Total current borrowings	**189,076**	**70,798**
Non-current		
Loans from DHSC	5,390	123,218
Obligations under finance leases	5,347	8,330
Obligations under PFI, LIFT or other service concession contracts	377,767	386,232
Total non-current borrowings	**388,504**	**517,780**

Note 25.2 Reconciliation of liabilities arising from financing activities

Trust and Group - 2019/20	**Loans from DHSC**	**Finance leases**	**PFI**	**Total**
	£000	**£000**	**£000**	**£000**
Carrying value at 1 April 2019	**178,928**	**10,974**	**398,676**	**588,578**
Cash movements:				
Financing cash flows - payments and receipts of principal	193	(2,427)	(8,075)	**(10,309)**
Financing cash flows - payments of interest	(5,238)	(254)	(24,532)	**(30,024)**
Non-cash movements:				
Application of effective interest rate	5,146	254	24,510	**29,910**
Other changes	-	(774)	199	**(575)**
Carrying value at 31 March 2020	**179,029**	**7,773**	**390,778**	**577,580**

Trust and Group - 2018/19	**Loans from DHSC**	**Finance leases**	**PFI**	**Total**
	£000	**£000**	**£000**	**£000**
Carrying value at 1 April 2018	**162,587**	**4,926**	**408,209**	**575,722**
Cash movements:				
Financing cash flows - payments and receipts of principal	15,681	(2,117)	(9,429)	**4,135**
Financing cash flows - payments of interest	(5,140)	(59)	(24,940)	**(30,139)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	658	-	-	**658**
Additions	-	6,781	-	**6,781**
Application of effective interest rate	5,143	59	25,068	**30,270**
Other changes	(1)	1,384	(232)	**1,151**
Carrying value at 31 March 2019	**178,928**	**10,974**	**398,676**	**588,578**

Note 26 Finance leases North Bristol NHS Trust as a lessee

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Gross lease liabilities	**8,350**	**11,215**
of which liabilities are due:		
- not later than one year;	2,639	2,702
- later than one year and not later than five years;	5,700	8,396
- later than five years.	11	117
Finance charges allocated to future periods	(577)	(241)
Net lease liabilities	**7,773**	**10,974**
of which payable:		
- not later than one year;	2,426	2,644
years;	5,347	8,259
- later than five years.	-	71

Significant leasing arrangements include embedded finance lease arrangements with the managed service contracts for the Patient Information System (Lorenzo), the Local Information System for Pathology (LIMS) and the Trusts IT network infrastructure.

The contingent rents on the above leases are based on the agreed managed contract arrangements.

Note 27.1 Provisions for liabilities and charges analysis (Trust and Group)

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2019	**978**	**89**	**2,283**	**3,350**
Change in the discount rate	(6)	-	-	**(6)**
Arising during the year	105	47	2,080	**2,232**
Utilised during the year	(218)	(90)	(200)	**(508)**
Unwinding of discount	4	-	-	4
At 31 March 2020	**863**	**46**	**4,163**	**5,072**
Expected timing of cash flows:				
- not later than one year;	189	46	4,163	**4,398**
- later than one year and not later than five years;	531	-	**-**	**531**
- later than five years.	143	-	**-**	**143**
Total	**863**	**46**	**4,163**	**5,072**

Note 27.2 Clinical negligence liabilities

At 31 March 2020, £257,055k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Bristol NHS Trust (31 March 2019: £230,073k).

Note 28 Contingent assets and liabilities

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(28)	(48)
Employment tribunal and other employee related litigation	-	(343)
Gross value of contingent liabilities	**(28)**	**(391)**
Net value of contingent liabilities	**(28)**	**(391)**

£28k (2018/19 £48k) contingent liability relates to the assessed potential liability advised by NHS Resolution on claims currently in progress where a contribution may become liable.

Note 29 Contractual capital commitments

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Property, plant and equipment	6,809	350
Intangible assets	46	-
Total	**6,855**	**350**

Note 30 Other financial commitments

The group / trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
not later than 1 year	5,667	3,076
after 1 year and not later than 5 years	1,467	-
Total	**7,134**	**3,076**

Note 31 On and Off SoFP PFI arrangements

PFI schemes deemed to be on Statement of Financial Position

A contract for the development of the new hospital was signed by the Trust and its PFI partner, The Hospital Company (Southmead) Limited on 25 February 2010. The purpose of the scheme was to deliver a modern, state of the art hospital facility on the Southmead site, which the Trust moved into on 26 March 2014 and which has been fully operational since May 2014.

Under IFRIC 12, the PFI scheme is deemed to be on Statement of Financial Position, meaning that the hospital is treated as an asset of the Trust, being acquired under a finance lease. In addition to the above the PFI partner constructed a multi-storey car park as part of the PFI contract which was completed and has been operating since January 2011. This is accounted for in the same way as the hospital.

A final phase of the project with a capital value of £6,553,000 completed in 2016.

The total construction cost recognised in the accounts to date in relation to these two assets is £431,250,000.

An annual unitary payment is payable to our PFI partner. This payment is subject to RPI based indexation in common with most other PFI schemes. Under the contract, the PFI partner provides a facilities management service along with associated services including pest control and grounds and utilities management. The contractual service charge for 2019/20 was £6,384,000. As well as being subject to movements in RPI, this element can change as a result of service or performance variations. During the course of 2019/20 the Trust has utilised the contractual mechanisms relating to performance to secure reductions in the payments made to the contractor.

PFI schemes deemed to be off Statement of Financial Position
Burden Institute (Burden)

The estimated capital value of the scheme is £2,000,000 and a further £800,000 was incurred for enabling works to BIRU. Crestacare constructed a 25 bed brain injury rehabilitation unit and a separate private nursing home (collectively known as BIRU), as well as constructing accommodation for neuro psychiatry services and the Burden Neurological Institute (collectively known as Burden). The Burden operating agreement is with Crestacare Properties Ltd and is a 22 year contract ending in July 2022.

The Trust does not currently make any payment for the building as the charges are paid by commissioners within the NHS, and the building was constructed at the expense of Crestacare. For this reason there are no items of expense included in the Statement of Comprehensive Income and the building is treated as a donated non-current asset.

The BIRU agreement is principally with Crestacare (GB) Ltd (which is a subsidiary of Crestacare plc) and this agreement is to end in June 2024. In the case of Burden the head lease is for a period of 90 years, BIRU is for 99 years. The Trust's annual commitment to BIRU is currently £165,056.

Note 31.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Gross PFI liabilities	**770,295**	**802,701**
Of which liabilities are due		
- not later than one year;	37,024	36,955
- later than one year and not later than five years;	128,886	129,240
- later than five years.	604,385	636,506
Finance charges allocated to future periods	(379,517)	(404,025)
Net PFI obligation	**390,778**	**398,676**
- not later than one year;	13,011	12,444
- later than one year and not later than five years;	38,758	36,756
- later than five years.	339,009	349,476

Note 31.2 Total on-SoFP PFI commitments

Total future commitments under these on-SoFP schemes are as follows:

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Total future payments committed in respect of PFI	**1,762,890**	**1,772,698**
Of which payments are due:		
- not later than one year;	50,513	49,300
- later than one year and not later than five years;	214,788	208,804
- later than five years.	1,497,589	1,514,594

Note 31.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Trust and Group	
	2019/20	2018/19
	£000	£000
Unitary payment payable to service concession operator	**49,303**	**50,557**
Consisting of:		
- Interest charge	24,510	25,068
- Repayment of balance sheet obligation	8,075	9,429
- Service element and other charges to operating expenditure	6,116	6,040
- Capital lifecycle maintenance	401	748
- Contingent rent	9,701	9,272
- Addition to lifecycle prepayment	500	-
Total amount paid to service concession operator	**49,303**	**50,557**

Up until the 15th January 2018 The Hospital Company (THC) had contracted with Carillion Services Ltd to deliver hard FM services to the PFI facility, and Carillion Construction Ltd to complete the PFI construction works. Following the compulsory liquidation of Carillion Plc on 15 January 2018, PricewaterhouseCoopers were appointed as the official receiver and liquidator (which included their appointment as special managers) for the liquidation event to ensure public service continuity. THC is engaged with PwC to ensure the services are provided to NBT in accordance with the original contract. To ensure continuity of service, an interim arrangement is in place pending the permanent appointment of a replacement services provider.

Note 32 Off-SoFP PFI

North Bristol NHS Trust incurred the following charges in respect of off-Statement of Financial Position PFI arrangements:

	Trust and Group	
	31 March 2020	31 March 2019
	£000	£000
Charge in respect of the off SoFP PFI for the period	**166**	**139**
Commitments in respect of off-SoFP PFI:		
- not later than one year;	166	139
- later than one year and not later than five years;	221	324
- later than five years.	-	-
Total	**387**	**463**

Note 33 Financial instruments

Note 33.1 Financial risk management

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

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

Currency risk

The Trust and Group are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and sterling based. They have no overseas operations. Therefore there is low exposure to currency rate fluctuations.

Interest rate risk

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

The Charity invests funds to maximise investment income, partly in the form of interest and so bears some risk. From a Group perspective this risk is insignificant.

Credit risk
Because the majority of the Trust's and Group's revenue comes from contracts with other public sector bodies, there is low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in note 23.

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

Note 33.2 Carrying values of financial assets

Group

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	67,183	-	**67,183**
Cash and cash equivalents	10,746	-	**10,746**
Consolidated NHS Charitable fund financial assets	2,750	8,092	**10,842**
Total at 31 March 2020	**80,679**	**8,092**	**88,771**

Group

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	69,898	-	**69,898**
Cash and cash equivalents	10,232	-	**10,232**
Consolidated NHS Charitable fund financial assets	2,220	9,088	**11,308**
Total at 31 March 2019	**82,350**	**9,088**	**91,438**

Trust

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£0
Trade and other receivables excluding non financial assets	67,183	**67,183**
Cash and cash equivalents	10,746	**10,746**
Total at 31 March 2020	**77,929**	**77,929**

Trust

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	69,898	**69,898**
Cash and cash equivalents	10,232	**10,232**
Total at 31 March 2019	**80,130**	**80,130**

Note 33.3 Carrying values of financial liabilities

Group

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	179,029	**179,029**
Obligations under finance leases	7,773	**7,773**
Obligations under PFI	390,778	**390,778**
Trade and other payables excluding non financial liabilities	63,977	**63,977**
Provisions under contract	5,072	**5,072**
Consolidated NHS charitable fund financial liabilities	205	**205**
Total at 31 March 2020	**646,834**	**646,834**

Group

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	178,928	**178,928**
Obligations under finance leases	10,974	**10,974**
Obligations under PFI	398,676	**398,676**
Trade and other payables excluding non financial liabilities	60,682	**60,682**
Provisions under contract	3,350	**3,350**
Consolidated NHS charitable fund financial liabilities	795	**795**
Total at 31 March 2019	**653,405**	**653,405**

Trust

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	179,029	**179,029**
Obligations under finance leases	7,773	**7,773**
Obligations under PFI	390,778	**390,778**
Trade and other payables excluding non financial liabilities	63,977	**63,977**
Provisions under contract	5,072	**5,072**
Total at 31 March 2020	**646,629**	**646,629**

Trust

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	178,928	**178,928**
Obligations under finance leases	10,974	**10,974**
Obligations under PFI	398,676	**398,676**
Trade and other payables excluding non financial liabilities	60,682	**60,682**
Provisions under contract	3,350	**3,350**
Total at 31 March 2019	**652,610**	**652,610**

Note 33.4 Fair values of financial assets and liabilities

The carrying value of financial assets and liabilities is equal to their fair value.

Note 33.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
In one year or less	258,330	135,625	258,125	134,830
In more than one year but not more than two years	12,516	101,225	12,516	101,225
In more than two years but not more than five years	35,189	58,858	35,189	58,858
In more than five years	340,799	357,697	340,799	357,697
Total	**646,834**	**653,405**	**646,629**	**652,610**

Note 34 Losses and special payments

Group and trust	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	1	237	7	54
Bad debts and claims abandoned	9	17	49	834
Stores losses and damage to property	1	137	1	128
Total losses	**11**	**391**	**57**	**1,016**
Special payments				
Compensation under court order or legally binding arbitration award	21	123	8	23
Ex-gratia payments	42	15	37	17
Total special payments	**63**	**138**	**45**	**40**
Total losses and special payments	**74**	**529**	**102**	**1,056**

Note 35 Related parties

Director, Interest and Related parties	Receivables at 31.03.20, £	Income in 2019/20, £	Payables at 31.03.20, £	Expenditure in 2019/20, £
Mr Kelvin Blake Non Executive Director from 1st February 2019				
Non-Executive Director of Weston Area Health Trust	564,217	1,444,903	440,266	255,935
Non Executive Director of BRISDOC	45,712	67,257	5,133	4,446
Professor John Iredale Non Executive Director				
Pro- Vice Chancellor of the University of Bristol	175,672	1,244,116	351,906	1,312,386
Total NHS	564,217	1,444,903	440,266	255,935
Total Non-NHS	221,384	1,311,373	357,039	1,316,831
Total	785,600	2,756,275	797,305	1,572,766

The above balances and transactions relate to activity for the organisations and not with the named individuals.

Note 36 Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim and capital loans as at 31st 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 31st 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 £179,030k as at 31st March 2020 have been classified as current as they will be repayable within 12 months.

Note 37 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	77,885	352,800	74,852	352,974
Total non-NHS trade invoices paid within target	63,995	307,996	54,504	285,790
Percentage of non-NHS trade invoices paid within target	82.2%	87.3%	72.8%	81.0%
NHS Payables				
Total NHS trade invoices paid in the year	3,402	21,939	3,244	23,878
Total NHS trade invoices paid within target	1,918	12,621	1,685	12,695
Percentage of NHS trade invoices paid within target	56.4%	57.5%	51.9%	53.2%

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

Note 38 External financing

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

	2019/20 £000	2018/19 £000
Cash flow financing	(6,222)	12,301
External financing requirement	**(6,222)**	**12,301**
External financing limit (EFL)	(2,690)	12,302
Under / (over) spend against EFL	**3,532**	**1**

Note 39 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	21,675	18,990
Less: Disposals	(237)	(735)
Less: Donated and granted capital additions	(231)	(1,036)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**21,207**	**17,219**
Capital Resource Limit	22,788	26,877
Under / (over) spend against CRL	**1,581**	**9,658**

Note 40 Breakeven duty financial performance

	2019/20 £000	2018/19 £000
Deficit for the period	(3,822)	(6,375)
Add back all I&E impairments / (reversals)	4,094	(4,478)
Surplus / (deficit) before impairments and transfers	272	(10,853)
Remove capital donations / grants I&E impact	519	(371)
Remove impact of prior year PSF post accounts reallocation	(741)	
Adjusted financial performance surplus / (deficit) (control total basis)	**50**	**(11,224)**
IFRIC 12 breakeven adjustment	6,679	3,784
Add back income for impact of 2018/19 post accounts PSF reallocation	741	
Breakeven duty financial performance surplus / (deficit)	**7,470**	**(7,440)**

Note 41 Breakeven duty rolling assessment

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Breakeven duty in-year financial performance		6,177	7,888	9,002	7,002	5,605
Breakeven duty cumulative position	(31,573)	(25,396)	(17,508)	(8,506)	(1,504)	4,101
Operating income		473,815	492,883	519,430	529,896	541,376
Cumulative breakeven position as a percentage of operating income		(5.4%)	(3.6%)	(1.6%)	(0.3%)	0.8%

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance	(19,740)	(51,561)	(42,922)	(12,143)	(7,440)	7,470
Breakeven duty cumulative position	(15,639)	(67,200)	(110,122)	(122,265)	(129,705)	(122,235)
Operating income	552,911	543,638	530,628	574,469	605,829	667,679
Cumulative breakeven position as a percentage of operating income	(2.8%)	(12.4%)	(20.8%)	(21.3%)	(21.4%)	(18.3%)

IAS 1 requires the Trust to assess, as part of the accounts preparation process, its ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector. These accounts have been prepared on a going concern basis.

Prior to the impact of Covid-19 planning, the Trust's financial forecast for 2020/21 shows a breakeven position including the receipt of £26,871k of PSF and requiring savings of £29,800k. The Trust has a capital plan of £26,640k for 2020/21.

At the time of submission to NHS Improvement, of the £29,800k of savings required for 2020/21, £17,594k had been identified but with £2,084k as opportunities only at this stage and £12,206k unidentified. These plans will be refined by realising the opportunities identified through benchmarking.