North Bristol NHS Trust

North Bristol NHS Trust

Annual Report 2020/21

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Chief Executive's Statement

In its 72-year history, the NHS has never been more important or valued than during this year, and I know that staff at North Bristol NHS Trust (NBT) have been hugely supported by our local community in so many ways. I am so proud to have joined NBT as its new Chief Executive and to recognise the extraordinary efforts made to deal with the pandemic. COVID-19 had a seismic impact on the lives of everyone at NBT, our patients and our community, but together everyone proved they could rise to every challenge, big and small.

At the start of April 2020, colleagues were already in the midst of the first wave. They pulled together, showing flexibility, agility and creativity and quickly put in place plans to source sufficient ventilators, oxygen, beds, Personal Protective Equipment (PPE) and other necessary equipment. Every level of our organisation adapted rapidly to the huge amount of change in a very uncertain environment – doing scores of incredibly complex things at pace.

The public support for the NHS was also overwhelming, and the goodwill and donations we received from our families and our community made a big difference.

As the year progressed NBT faced many ups and downs, mirroring the fluctuating prevalence of the virus and the number of COVID-19 positive patients admitted to our care. Colleagues had to keep patients safe, maintaining urgent care and, where possible, clinically urgent planned care, whilst following incredibly high standards of infection control. Some of the gains made in restoring planned services over the summer and early autumn were partially undone in the second, more aggressive COVID-19 wave across winter. For our staff this meant ongoing uncertainty, stress and worries about colleagues, patients and families. But thanks to technology and innovation, far more patients were monitored remotely and received virtual consultations.

Colleagues also grieved for four members of our NBT team who sadly died of COVID-19 during the year. NBT's wellbeing services, well and truly tested by COVID-19, were expanded to offer even more guidance, counselling, physiotherapy and a range of other support.

The COVID-19 pandemic also laid bare the many inequalities in society and Bristol particularly played a high-profile role in the UK Black Lives Matter movement. This prompted us to start having open and mature discussions with our colleagues from different ethnic groups to really shift our thinking about our culture and our organisation. A horrific racially aggravated attack on a colleague outside the hospital only toughened our resolve that racism has no place in our society.

The pandemic also highlighted areas for improvement at NBT which forced everyone to think very differently and to quickly adapt our capability and infrastructure. The organisation changed for good to be more responsive to individuals' needs and circumstances, improve outcomes and care and be an even more compassionate and inclusive employer.

We face huge challenges ahead to care for and treat the many patients who were not able to access our services during the pandemic. However, alongside giving our staff time and space to recover, we have ambitious plans for restoring our services, whether it's harnessing the power of digital, empowering people to innovate and make decisions more quickly, or continuing flexible and dynamic ways of working.

None of what we have achieved would have been possible if it wasn't for our wonderful NHS, Council, community and voluntary sector partners and I'm pleased to say that partnership working has also become business as usual over the pandemic. NBT led the rapid stand-up of the NHS Nightingale Hospital Bristol and the local COVID-19 mass vaccination programme – both of which could not have been achieved without working collaboratively with colleagues across our region. Colleagues also worked in partnership with the independent sector and at times offered mutual aid to care for patients from other regions of England that were more pressured. We now enter a formal Integrated Care System across Bristol, North Somerset and South Gloucestershire, dissolving traditional boundaries with other NHS organisations to help us create an outstanding healthcare system for the future.

As I write this in early summer, we remember the people we have lost and the painful impact that continues to have on our teams, patients and community. But as society opens up and the vaccination programme goes from strength to strength, we remain optimistic that we will succeed in our battle against the virus in the long term. We are also even more determined to achieve our primary mission to keep our local population well and, having now experienced first-hand the creativity, compassion and talent that NBT is known for, I have every confidence that we will emerge from the pandemic even stronger.

Maria Kane
Chief Executive

NBT's work is underpinned by its core values:

Our Organisation

NBT is a centre of excellence for health care in the South West in a number of fields with an annual turnover of £773,284k. Of this, £613,198k 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.

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. Further detail on the Trust's organisational and management structure is available on its website: https://www.nbt.nhs.uk/about-us.

The Last 12 Months

2020/21 was dominated by the Trust's response to COVID-19.

Having taken the first steps to prepare for the pandemic in the weeks preceding this financial year, staff across the Trust worked tremendously hard as the demands of COVID-19 rose.

While we did not see the levels of COVID-19 patients predicted in the first wave, or those experienced in other parts of the country in the subsequent waves, this was a time of great pressure for staff across the Trust.

Caring for patients in the pandemic meant doing things differently and our response saw us making changes to the way we worked across all areas of the organisation.

Staff were redeployed to areas where there was a greater need, with clinical staff assigned to roles in the areas where they could best be utilised. Clinical staff who were working in other areas of the Trust returned to clinical roles to support the response to the pandemic. This involved additional training to provide staff with the skills and knowledge they required to work in new areas caring for patients with different needs.

Non-urgent planned surgery and appointments were scaled back to make way for patients with COVID-19 and restrictions were placed on visiting, to reduce the spread of infection. We know that some of these necessary changes have been difficult for the patients and loved ones affected and we appreciate the understanding of the public.

The challenges of the pandemic also brought opportunities for us to innovate some working practices and accelerate some projects, to meet demands. One of these areas was the move towards working more digitally, bringing forward some of our planned Digital Transformation work where it would benefit patient care and speed up clinical decision-making. Our IT teams worked to support fast-tracked capacity for video consultations, to reduce the need for patients to come into hospital unless necessary, and supported staff to work remotely where appropriate.

Our research teams continued to work on a host of studies, with 33 launching in 2020/21. 18 related to COVID-19, including NBT researchers leading research into the impact of Long COVID. Our research team was also involved in studies looking at potential treatment options for COVID-19, the impact of aerosol-generating procedures in spreading COVID-19 and vaccine trials.

The response to COVID-19 provided an opportunity for us to highlight our position as a provider of high-quality care by leading some key programmes rolled out during the pandemic. We were tasked with hosting the Nightingale Hospital, which was set up at UWE Bristol, and the COVID-19 Mass Vaccination Programme. We were proud to lead these important projects on behalf of our local population and the first Bristol patient received his vaccination at Southmead Hospital as the programme launched in December.

It wasn't all about COVID-19 and there was still cause to celebrate other NBT achievements.

These included a Healthcare People Management Association award for our work on the Red Card to Racism campaign, which highlights the Trust's commitment to tackling racism.

And in Black History Month we announced the renaming of one of our office buildings in recognition of one of Bristol's first black ward sisters, Princess Campbell MBE.

In September we launched the Yellow Sunflower scheme for people with hidden disabilities, such as autism, mental health issues and epilepsy, so that staff know to make necessary adjustments for patients.

In November our maternity services gained re-accreditation in the UNICEF UK Baby Friendly initiative for supporting new mums with breastfeeding, while in March our Echo team was awarded British Society of Echocardiography (BSE) departmental accreditation in three different areas.

NBT teams and staff were shortlisted in three categories in the NHS Parliamentary Awards after being nominated by local MP Darren Jones. Our Mental Health Liaison Team, the CareFlow Team and Dr Scott Grier must wait until July to find out if they are winners in the Excellence in Mental Health Care, Future NHS and Excellence in Healthcare categories of the awards.

Throughout the year we continued to recognise the efforts and achievements of our staff through our regular NBT Hero Awards, with more than 160 people receiving honours after being nominated by their colleagues.

We also continued to develop our Quality Strategy, building on the work undertaken in the previous financial year. This strategy was approved by the Trust Board in July 2020, shaped across the following three key themes:

- Exceptional Personalised Care
- Safe & Harm-Free Care
- Excellence in Clinical Outcomes

Improvement projects aligned to these themes continued, including Consent & Shared Decision-Making, Ward Accreditation and Divisional and Speciality Quality Governance. Similarly, strong progress has been made developing and gaining board approval for work shaping a just safety culture, becoming the newest national early adopter of the Patient Safety & Incident Reporting Framework (PSIRF) and implementing a system-wide Medical Examiner service. These workstreams are core development areas set out within the national Patient Safety strategy launched in 2019.

Our working relationship with the CQC remains strong and we have continued to work closely within the differing areas of focus and approaches due to the pandemic. These have included virtual 'roundtable' reviews of our Infection Prevention & Control Board Assurance framework, our Emergency Medicine practices linked to the 'Patient First'

publication and a system wide CQC review of DNACPR for patients with Learning Disabilities. In addition, we have worked closely with the CQC in registering the Nightingale hospital and the Mass Vaccination Centre. We also participated in an on-site inspection for Gynaecology services, which was reported in February 2021, with very positive inspection findings.

Southmead Hospital Charity continued to support the work of the Trust throughout the year. Its COVID-19 fund raised money for research, staff wellbeing and support for patients. The charity also co-ordinated the many donations made to the Trust by businesses and individuals who wanted to support our staff during the pandemic.

New faces joined the Trust and we also said some goodbyes. Our Director of Finance, Catherine Phillips left the Trust in February and, in December, our Chief Executive of seven years, Andrea Young retired. The appointment of our new Chief Executive Maria Kane OBE, who had been Chief Executive of North Middlesex University Hospital NHS Trust since 2017, was announced in October and she took over leadership of the Trust in May.

Essential Research and Innovation

NBT has been awarded five National Institute for Health Research (NIHR) grants and we now have a portfolio of research grants worth £31 million. We've delivered vaccine trials to help identify ways to prevent COVID-19 and, 15 months after the first UK case of SAR-COV-02 was confirmed, effective vaccines and treatments have been studied and implemented nationally.

Research supported by the Southmead Hospital Charity Research Fund has led to ground-breaking research into Long COVID, the psychological impact of COVID on staff and how to better deliver respiratory diagnostic tests at home. NBT also managed to maintain essential non-COVID research: more than 1,700 patients were recruited to 75 non-COVID studies.

Next year we will seek to restore our portfolio and increase research into new areas, such as infection and vaccines. Working with our regional partners, we'll focus on improving the broader health and wellbeing of our community.

Our Future

Removing barriers to collaboration and joined-up care

In February 2021, the Department of Health and Social Care published the White Paper *"Integration and innovation: working together",* to improve health and social care for all. Operating as part of an Integrated Care System alongside our BNSSG partners will remove barriers between primary, secondary, mental health and social care to ensure everyone receives joined-up support. While NBT will remain broadly unchanged as a key provider of acute and specialist services, it means we will have an enhanced role in system leadership.

COVID-19 recovery

Responding to several COVID-19 surges in hospital admissions has resulted in a much larger waiting list than we're used to. Our vision for elective recovery is to reduce our backlog to pre-COVID-19 levels - while continuing to meet demands for care - within three years. Our 'Renew and Recover' framework will focus on resuming elective activity quickly, efficiently and safely while recognising that staff have been significantly impacted by the sustained pressures of the pandemic and need time to heal.

Performance Summary

The Trust's overall 2020/21 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 63.12% by the end of 2020/21, taking into account the anticipated impact of the COVID-19 response on RTT performance. However, actual performance for 2020/21 is 71.64% with a backlog of 8,390 patients waiting over 18 weeks. The overall wait list size was 29,580 patients at the end of March 2021 against a trajectory of 35,167. The Trust was ranked 193/399 reported performance positions by Acute Trusts nationally and was in the third quartile as at March 2021. The Trust reported higher than the national average % performance and was second out of the 11 national Adult Major Trauma Centres in March 2021.
ED: maximum waiting time of four hours from arrival to admission/transfer/discharge	Performance improved significantly during the first half of 2021/21, as demand for Emergency Care reduced in line with national trends during the initial response to the COVID-19 pandemic and national restrictions. During the period April 2020-September 2020 attendances dropped to an average of 6,644 per month compared with 8,300 per month in the first 6-months of 2019/20 and bed occupancy was significantly lower than the same period in 2019/20. This level of reduction in bed occupancy was not experienced again in subsequent periods of national restrictions/lockdown, which had an adverse impact on performance in the second half of the year. The Trust met the full-year 2020/21 trajectory for the four-hour ED waiting time standard with performance of 84.14% against a trajectory of 80.99%. The Trust's performance in 2020/21 exceeded our expected trajectory and was ranked 55/113 nationally.
All cancers: 62-day wait for first treatment from urgent	Performance against the 62-day cancer standard was 72.54% against a trajectory of 80%. Most treatment delays can be attributed to patient choice to defer until after COVID/vaccination, clinical prioritisation to

GP referral for suspected cancer	delay start of treatment, as well as access to theatre and diagnostic capacity.
All cancers: 31-day wait from diagnosis to first treatment	The 31-day first treatment target was achieved three times in 2020/21, with a yearly performance of 93.61% which also met Trust trajectory of 81.09%. Clinical prioritisation and patients being offered alternative treatment options considered safer during COVID allowed us to maintain a steady performance throughout the year. In 10 of the 12 months we achieved over 90%.
Cancer: two-week wait from referral to date first seen for all urgent referrals	The two-week performance across the year was 77.26%, with the highest performance of 97.18% in June 2020, however this position reflects a significant drop in referrals. Compared to the overall performance of 2019/20 (without COVID impact) of 80.87%, achieving 77.26% was due to agile changes in the way 2WW appointments were delivered in terms of virtual clinics, triage and utilising the changes to the national guidance.
C. difficile: meeting the C. Difficile target of a maximum of 43 cases	In 8 of the 12 months we were below trajectory with under 5 cases. The overall annual number of cases was 57. As a result, the Trust did not achieve its target trajectory. The C. difficile steering group and Divisional Teams continue to progress improvement work to tackle themes including late sampling with increased support from the Infection Prevention & Control Team. It is also likely that the increased prescribing of anti-biotics for COVID-19 patients during 2020/21 contributed to the increase in C. difficile infections in that period
MRSA: meeting the objective of none	There were no cases in 10 months. Across the year there were two cases.
Mortality ratios	An increase in deaths was seen in December and January which is likely to have been the result of increasing COVID-19 infections and is consistent with trends across the UK at that time. The numbers returned to the expected rate in March. There are no current Mortality Outlier alerts for the Trust.

Delayed Transfers of Care (DToC)	DToC reporting ceased in March 2020. National reporting is focused on the levels of patients who do not meet the “Right to Reside” criteria but who remain in the hospital with a length of stay over 14 days and 21 days. In March 2021 an average of 199 (26.46%) patients were ready to be discharged, no longer meeting the right to reside criteria.
Sickness absence	Sickness absence remained at 4.5% throughout the year although the mix of causes for absence changes with incidence of COVID-19, more long-term sickness and lower incidence of flu.
Agency usage	Agency use rates fell significantly between March 2020 and May 2020 and remained under 100 whole time equivalent until March 2021, as a result of a sustained recruitment drive to fill vacancies and reduced elective activity and occupancy.
Cancelled Operations	National reporting of same-day Cancelled Operations was suspended by regulators in March 2020 in response to the COVID-19 pandemic.
Bed Occupancy	In 2020/21 the Trust’s overall number of beds was reduced by 36 as a result of infection prevention control measures, reducing from 866 to 830. For April 2020-September 2020 bed occupancy was an average of 69.67% compared to 95.64% in the same period the previous year, which is significantly lower than experienced before and a direct result of the national and Trust response to the COVID-19 pandemic. This level of reduction in bed occupancy was not experienced again in subsequent periods of national restrictions/lockdown, with October 2020-March 2021 bed occupancy at an average of 93.83% against a national expectation of 92%.

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 public scrutiny. This information is provided for the last month, trending over time, and, where available and relevant, against a benchmark. These key measures are then monitored through the Performance Assurance Framework and the 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 considered by the Executives at weekly meetings. The Quality & Risk Management, Finance & Performance and People 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 2020/21 objectives

The Trust's 5 Year Strategy was published in January 2020 and set out our objectives. These are set out below alongside an update on progress against specific deliverables.

Our role	Our objectives for 2020/21	Achieved
Provider of High-Quality Clinical Care	• Provide rapid access to the right expertise for those with urgent care needs by working with partner agencies. • Improve access to elective services. • Establish clinical networks for immunology, urology and stroke services. • Implement NBT-provided breast and urology services at Weston. • Improved access for patients to rapid diagnosis for suspected cancer. • Delivery of the quality priorities set through the Quality Account, the Quality Strategy and the NHS Patient Safety Strategy. • Deliver our financial plan.	• Achieved our 4-hour performance trajectory in Q1, Q2 and October 2020. • Continued development of clinical networks for immunology, urology and stroke services. • Implemented NBT-provided breast services at Weston. • Published an ambitious Quality Strategy to support our commitment to ensuring that quality of care is at the forefront of change. A performance framework is under development which will assess implementation of the Strategy.
Developing Healthcare for the Future	• Provide high-quality teaching services. • Increase research into new priority areas set by our clinical divisions, patients and regional partners. • Use new technologies to deliver exceptional healthcare.	• Despite the challenges presented during 2020/21 by changing the way teaching was provided, we have been able to restore and continue teaching. In addition to undergraduate and postgraduate teaching, we worked to upskill our wider medical workforce during the pandemic,

	• Mobilise capacity to deliver OneNBT transformation plan over the next four years.	with many staff undertaking temporary redeployment during the year.
		
		• Increased research focus on Trust priority areas by:
		  ○ Funding research into psychological impact of COVID-19 on staff, the efficacy of home spirometry testing, and Long COVID.
		  ○ Supporting delivery of COVID-19 research in numerous divisions, with the focus on improving treatment, decreasing acuity and shorter Length of Stay.
		  ○ Developing research in urgent and emergency care.
		  ○ Reviewing ways of increasing and facilitating big data and AI projects across the Trust.
		
		• In line with our OneNBT Digital Vision we have:
		  ○ Launched a new staff intranet.
		  ○ Enhanced patient safety and monitoring by introducing CareFlow Vitals e-observations.
		  ○ Improved access to information for admitted patients through EDMS and Connecting Care.
		  ○ Improved multi-professional working using ‘CareFlow Connect’ and ‘MS Teams’.
		  ○ Rolled out the Bluespier theatres system, making it possible to complete safety checklists digitally, with real-time patient tracking in theatres.

Employer of Choice	• Build teams that are inclusive and diverse. • Improve the health, wellbeing and safety of our staff. • Develop a resilient workforce.	2020/21 has been an incredibly challenging year for our workforce and it will be a year remembered for their work and commitment. NBT has worked to protect staff to ensure resilience. Our turnover improved from 13.36% in March 2020 to 10.77% in March 2021 (excluding staff who were on temporary contracts during the COVID-19 response). Our Trust wide vacancy factor reduced from 6.76% in March 2020 to 3.63% in March 2021, with particular success in reducing our registered and unregistered nursing vacancies. Both short and long-term sickness absence maintained a stable position throughout 2020/21 overall, despite COVID-19. A more detailed list of work to support our workforce is included below.
An Anchor in our Community	• Launch and implement our Charity strategy. • Increase the value that volunteers bring to patients through our new volunteering strategy. • Set out the NBT 2030 carbon reduction programme. • Improve the use of our estate and local population health.	• Our new Charity Strategy has been developed and will be finalised early in 2021/22. • A roadmap is under development to help us become carbon neutral. • Thornbury disposal is underway and anticipated to conclude in 2021/22.

The challenges to performance and service delivery posed by COVID-19 have been widely reported nationally and have directly impacted NBT. The year ahead will be focused on recovery and on addressing those challenges.

However, the work we have done in the past year has ensured that we have continued to make progress against all four of our strategic goals. Whilst progress against specific objectives is set out above, there have been broader improvements across the Trust which will support long-term delivery of our strategy.

Provider of High-Quality Clinical Care

The initial impact of COVID resulted in unprecedented national closure of elective services and swift adoption of new measures to reduce transmission whilst delivering patient care. These changes have impacted on our ability to improve access to elective services in 2020/21. The pandemic has also impacted on the Trust's, and our commissioner's, capacity to progress service development in some areas. However, working together with partner organisations, there has also been significant progress in ensuring that we are a provider of high-quality clinical care. In addition to progress against specific objectives outlined at Table 1, we have:

- Transformed delivery of outpatient services to offer virtual appointments and to provide advice and guidance to patients remotely.
- Become a national early adopter for the new Patient Safety Incident Response framework and implementation of Just Culture training.
- Undertaken work to modernise our Electronic Patient Record (EPR) system, which will improve the way we deliver patient care across the Trust.
- Progressed towards developing a regional hub for immunology and allergy services at NBT which, with commissioner support will be finalised in 2021.
- Attend Anywhere: 28,000 calls were made using Attend Anywhere remote video consultation platform.

Developing Healthcare for the Future

In our work to manage and contain the impact of COVID on our communities, we have sought to use the best technology and to carry out research to help us achieve the best possible outcomes for patients. As a result, we have been able to do more this year than we expected to develop Healthcare for the Future, in terms of our use of digital technologies and undertaking research of international significance.

The pandemic response also necessitated upskilling and redeploying medical staff. We are overwhelmed by the work our staff have done to meet the challenges they faced and will focus on providing continuing staff development opportunities in the coming year.

Employer of Choice

2020/21 will be remembered for the work of the staff across our organisation. To support that work we:

- Launched our Five-Year People Strategy, which puts our staff and patients at the heart of everything we do.
- Enabled staff to work more flexibly by improving connectivity, including deployment of 1607 laptops and upgrades to Windows10 of more than 6000 laptops.
- Launched Just Culture to ensure we live our values.
- Listened to staff by holding virtual coffee mornings and wellbeing interventions.
- E-rostering has been launched and adopted in a number of specialities, in line with best practice.
- Phase One of our Electronic Staff Records (ESR) Optimisation project was completed and payslips are now digital.
- Workforce Race Equality Standard (WRES) - Although the national report was delayed, NBT has developed a draft WRES Action Plan and 13 Cultural Ambassadors have been recruited, trained and started in post to support NBT.
- Listening events were held with BAME staff over summer 2021, with 220 participants. The Staff BAME Network was re-launched with increased protected time for those involved.
- A lead Freedom to Speak Up Guardian has been appointed.
- One NBT Leadership programme has continued and a Matron Leadership Programme launched in September 2020.
- Short-term sickness decreased from 1.9% in March 2020 to 1.8% in December 2020 and long-term sickness increased by just 0.1% in the same period, despite the impact of COVID-19. Staff health and wellbeing has been supported by:
    - Introduction of a wellbeing lead for senior doctors.
    - Delivery of over £100,000 worth of self-care gifts to staff.
    - The *Ran #WellforWinter* campaign, including 500 keep fit kits, a new heath app and online exercise sessions.
    - 340 1:1 contacts with our Psychology support service, more than doubling since 2019.
    - Over 500 members of staff with MSK issues supported through Physio Direct.
    - Introduction of Wellness in Nature sessions.

- To allow virtual meetings to take place and staff members to work from home, Microsoft Teams was deployed. To date, more than 4000 staff are now using Teams, with 750,000 chat messages sent and almost 43,000 meetings held between Nov 20 and February 21 alone.

An Anchor in our Community

As 2020/21 concluded, understanding of our role as an anchor in the community has increased – within the organisation and outside – as a service provider, local employer and centre of the community.

This year, by increasing the services provided remotely, the Trust has been able to reduce the number of people travelling to the site. That offer will continue, allowing us to reduce the burden on those requiring support and improve our local environment.

While our ability to increase use and access to the site has been limited by COVID restrictions, we have worked closely with local partners and our Veterans team have begun work to:

- Embed the Armed Forces Covenant in the policies and practices of the Trust, raising awareness among staff and the wider health system about the needs of serving personnel, veterans, reservists and their families.
- Utilise local Armed Forces resources and work with our GIRFT ("Getting It Right First Time") and Covenant partners, as well as veterans' support services, to enable improved staff and patient experience and health outcomes for serving personnel, veterans and their families.
- Maintain our accreditation as a Veteran Aware Hospital.

Our Patients

While our performance against targets and trajectories provides us with a crucial view of how well our services are working, hearing from our patients about their experiences of those services is invaluable. This section of our report focuses on what they told us in 2020/21.

Friends and Family Test (FFT) feedback enables people using our services at North Bristol NHS Trust to give real-time feedback of their experiences.

Due to the COVID-19 pandemic, the FFT was suspended nationally from March 2020 to December 2020, but we opted to resume collection of FFT on 4 July 2020. In line with national guidance we introduced new questions: *"Overall, how was your experience of our service*?" and "*Please tell us why you gave your answer",* to help us understand more about the patient's experience.

Between 1 April 2020 to 31 March 2021 (including the pause in FFT between April 2020 and July 2020) 69,306 responses were received, with a response rate of 19% for the whole Trust. 94% of responses were positive.

In 2020/21, 490 formal complaints were received by the organisation, a decrease of 22% from the previous year. However; the figures will have been impacted by a change in process with a re-opened/returned complaint no longer recorded as a new complaint record within Datix. 30 complaints this year were re-opened.

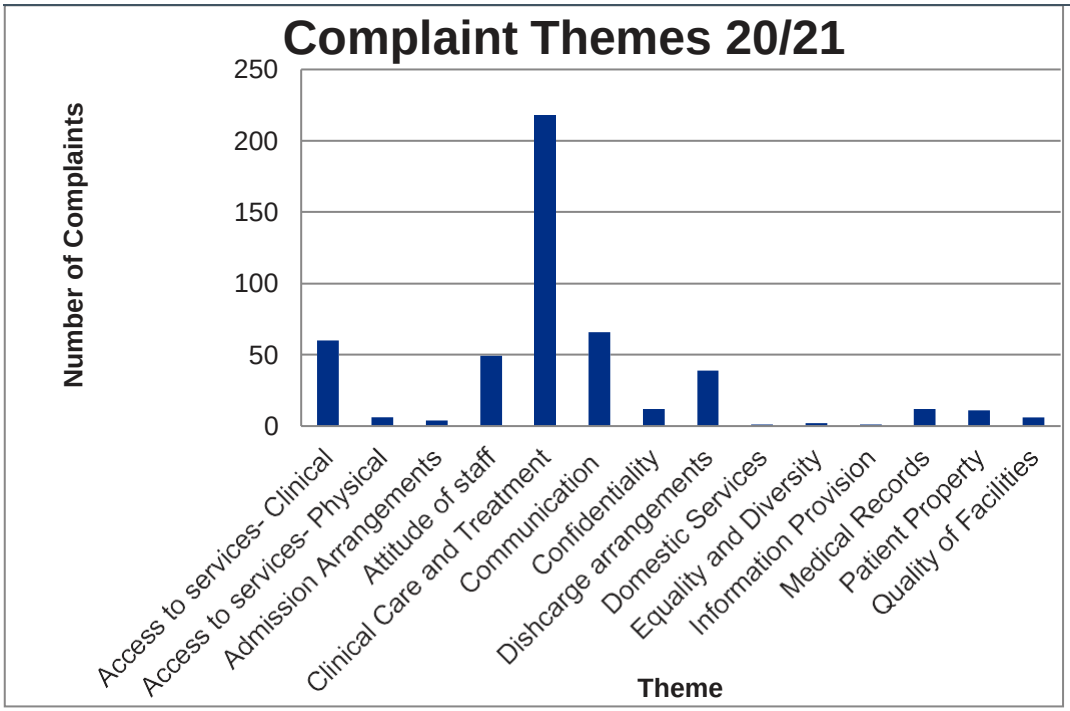
The decrease in the number of formal complaints received also reflects:

- The impact of the COVID-19 pandemic and reduced activity across the Trust.
- A change in policy and process within the Patient Experience Team and more issues being dealt with as PALS concerns or enquiries PALS and Complaint Officers now work interchangeably between the PALS and Complaints services, they are able to triage issues raised by patients, carers or relatives and advise of the most appropriate route to resolving the issue(s) quickly and effectively.
- A streamlined process for recording complaints.
- In 20/21 there has been a positive improvement in complaints response time compliance. This measures whether complaints have been responded to within the agreed timeframe. This has improved to 93% which is above the Trust's target of 90%.

It is clear that whilst there has been a decrease in the number of PALS concerns, there has been an increase in the number of enquiries. This is most likely to be due to a change in recording practices as a result of the policy changes. Enquiries are identified as queries or questions of minor significance that can be addressed by the PALS team without needing to go through the divisional patient experience teams. Examples of enquiries include questions about waiting times or rearranging appointments. During the COVID-19 pandemic the process for managing enquiries has been extremely helpful as it has allowed divisional teams to focus on more serious PALS concerns and complaints.

The chart below provides an overview of the themes of issues raised in complaints in 2020/21.

Type	2017/18	2018/19	2019/20	2020/21
Complaints	592	723	626	492
Concerns	800	744	1,087	774
Compliments	9,440	7,704	8,072	3,672
Enquiries		280	188	659
Response Time (within timescale)	67%	59%	80%	93%



In 2020/21, the most common complaint theme was ‘Clinical Care and Treatment’ and the second most common ‘Communication’. This is consistent with the previous reporting years.

Overall, around 5% of formal complaints received have been regarding or related to COVID-19. In particular, we have seen an increase in complaints regarding ‘Access to Services - Clinical’. A deep dive review of these complaints shows the majority were regarding ‘Length of wait for appointment’, or ‘Cancellation of clinic/operation’. This

reflects nationally mandated decisions to pause some activities in order to focus on the care and treatment of COVID-19 patients. In line with all acute hospitals there has also been significant review and clinical prioritisation of patients awaiting treatment and this will be an ongoing area of focus for the Trust Board and all clinical services as the impact of the pandemic recedes.

Additional information on our complaints and compliments can be found in our Quality Account, which will be published in June 2021 in line with the national deadline.

In May 2020 the Complaints and PALS services launched an Equality Monitoring and Diversity Form to help ensure equal access to the services and fair treatment. We also want to understand whether there are any equality and diversity trends in the issues raised through complaints and concerns.

We have used this information to underpin a project 'Making it Easy to Give Feedback'. This project was intended to improve access to the complaints and PALS services so patients, their carers or relatives can easily find out how to raise a complaint or their concerns.

Working in collaboration with a Patient Partner and our Communications Team we have successfully updated the information on our website to be more accessible and user-friendly.

We have continued to learn from complaints, which has allowed us to make improvements including:

- The Perform team has worked with the Rosa Burden Centre to deliver training to improve the discharge process and communication;
- Electronic patient handover using the IT platform Careflow Connect has been rolled out across the Trust;
- Additional training has been provided for nursing staff working in the Recovery area to ensure that they are all competent in drain removal;
- Changes to Patient Information Leaflets regarding operative laparoscopy;
- Cancer Nurse Specialist (CNS) Contact Details will be provided to all Urological Cancer Patients;
- Simulation Training has been developed and delivered with ward staff to improve communication around infection with patients and relatives.
- Patient Information Bundles have been created; these are attached to the call bell, making them accessible to patients of all abilities. The bundle contains information regarding pressure care prevention, DVT prevention and Wi-Fi log in details.

In November 2020 we relaunched the Complaints Lay Review Panel. The Panel is made up of patient representatives who review and audit a selection of complaints against The Patients Association's principles for good complaints handling and the Trust's internal complaints procedure. Feedback from the Panel is shared with the Divisional Patient Experience Group to reflect on learning and good practice and to take forward any actions identified.

We continue to seek feedback about the PALS and complaints processes from service users through a questionnaire. Results are shared with the PALS and Complaints teams and any actions or learning are taken forwards to improve service users' experience.

The NHS website provides another opportunity for those who have used our services to feedback about their experience. All online posts 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.

The Trust also participates in the Care Quality Commission's National Patient Survey programme. In 2020 the Maternity Survey was cancelled due to the pandemic but sampling for the Urgent and Emergency Care Survey 2020 took place in October 2020 and a report is due in April 2021. We have also completed sampling for the Inpatients Survey 2020; the report is due in June 2021. Once received, 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.

This year we have maintained close links with the Bristol Care Forum, Bristol Deaf Health Partnership and Bristol Sight Loss Council to overcome some of the challenges brought on by the pandemic. We have also introduced the use of local surveys across the Trust. This has been particularly important given the pause to the Friends and Family Test and limitations to patient and public engagement during 2020/21. Local surveys enable teams to ask more tailored questions, helping them to home in on specific aspects of the patient pathway, or evaluate service changes. We are seeing high levels of engagement with the use of local surveys and look forward to seeing the learning that emerges.

We continue to proactively capture patient stories which are shared at Trust Board, Patient and Carer Experience Committee, Patient Experience Group and Divisional Patient Experience Group to celebrate good practice and identify areas for improvement.

Our Patient Partnership Group also continues to meet regularly. It acts as a reference group for service reviews and improvements and raises matters with services across the Trust based on patient feedback. Some of the group's usual activity has been impacted by the pandemic and not being able to participate onsite. Despite this, the Patient Partnership Group continues to convene virtually, and the views of this group have been taken into account on numerous projects in the past year, including:

- 'Giving Feedback'- a review of information on the website and in-patient information leaflets to improve the accessibility of giving feedback.
- Losses and Compensation Group.
- Southmead Hospital Charity Research allocation.
- Shared Decision-Making Project.

- Working with the Patients Association.
- Quality Account priorities.

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

Healthwatch for Bristol, South Gloucestershire and North Somerset are key members of the Patient Experience Group and we continue to benefit from feedback received through quarterly Healthwatch Feedback Reports. We continue to share the reports at our Patient Experience Group, reflect on the feedback provided and respond to this.

A Digital Project is currently underway to record patients' sensory impairments or communication requirements clearly and consistently. Although delayed by COVID-19 the project will restart in the summer of 2021. The project group includes membership of a Patient Partner with visual impairment who is able to provide expertise and feedback to ensure the project meets the needs of patients.

We continue to closely monitor the quality and delivery of contracted translation and interpreting services. The Trust also regularly engages with groups such as the Bristol Deaf Health Partnership to receive feedback from service users on the quality of these services.

Our People – what makes us

Following extensive engagement with our stakeholders, we were proud to launch our five-year People Strategy in September 2020. The strategy aims to continue to build an empowered, inclusive and motivated workforce which is fit for the future and is able to adapt to the changing healthcare landscape both locally and nationally.

As part of a 1.3M strong NHS workforce, we achieve the extraordinary every day. Our People Strategy supports the goals of the NHS People Plan for 2020/21 but also charts our journey, ambition and passions to provide high-quality, compassionate patient care.

Our People Strategy puts our teams at the centre of all we do at NBT and focuses on three key themes:

- Great place to work
- Growing and developing our workforce
- Better people support

The strategy confirms our activities will be delivered using a planned approach over the next five years, with immediate priorities for 2020/21:

- Digitalisation and benefits realisation of people systems and processes – including ESR, E-rostering, automation of processes, data and policy infrastructure
- Just Culture – continuing to develop our culture based on our values
- Workforce planning - short and long-term, with a defined focus on a composite workforce
- Thrive, well-being and voice – our employee offer to include:
    - Retention – lead a national NHS/I Pathfinder project to deliver and showcase best practice
    - Health and wellbeing, physically and mentally – psychological support offer for teams and individuals. Health and wellbeing built into induction
    - Agile ways of working – new flexible working offers
    - ‘Listen Up’ opportunities – regular listening events and pulse surveys
- Improved, faster recruitment and “on boarding” process
- Equality, Diversity and Inclusivity (ED&I)
    - A vibrant BAME network with dedicated facility time off and development opportunities
    - Wellbeing Guardian at NED Level; BAME Executive Champion
    - Expert-led education seminars on health inequalities and racial injustice
- Setting challenging objectives to address issues of inclusion, as indicated through our WRES / WDES
- Aligning our People Service teams to matrix working, enabling self-service through our ‘One Stop Shop’ using the Trust intranet links

We have made strong progress on delivery of these priorities and the three key themes of our strategy.

In 2020/21 we had the greatest ever response to the national staff attitude survey with 4517 (up from 4207 in 2019) of our staff telling us what it is like to work for NBT. More than half of the responses had improved since last year and, overall, the balance of our results is now better than national acute average, with NBT being better than average in the following themes: morale, bullying and harassment, and staff engagement. We also saw another increase in how staff rate NBT's support for their wellbeing, with the proportion of staff agreeing that NBT definitely takes positive action on health and wellbeing increasing from 31% to 38% - 5% higher than the national average of 33%.

In 2020/21, during a national pandemic and with the impact that had on our staff:

- Our turnover improved from 13.36% in March 2020 to 10.77% in March 2021 (excluding staff who were on temporary contracts during the COVID-19 response)
- Our Trust-wide vacancy factor reduced from 6.76% in March 2020 to 3.63% in March 2021, with particular success in reducing our registered and unregistered nursing vacancies.
- Both short and long-term sickness absence maintained a stable position throughout the year.

Collaboration with our BNSSG partners has been a very positive and successful achievement throughout the year.

Great Place to Work

Staff Wellbeing

Never has the wellbeing of our staff been more important to ensuring that we deliver exceptional health than during this unprecedented year, when COVID-19 placed additional pressures on our workforce.

In response we further enhanced our existing programme of support. By taking a strategic approach in line with British Psychological Society best practice we:

- focused on prevention as well as treatment
- emphasised support to teams, managers
- delivered a holistic approach to supporting our colleagues through mental health, physical health and lifestyle.

This included:

- Specialist psychologist 1:1 support to 315 staff in 2020, compared to 95 staff in 2019

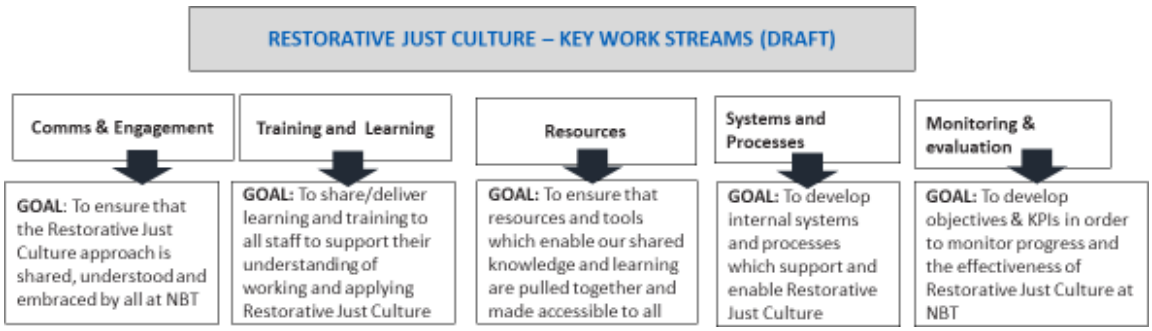
- Increased by 1.8 WTE our dedicated psychologist support to staff to 3.8 WTE, including introducing dedicated psychological support to senior doctors through a full-time clinical psychologist and senior consultant lead.
- Ran #WellforWinter campaign, including distributing 500 keep fit kits, a new heath app and online exercise sessions.
- Delivered over £100,000 worth of self-care gifts to staff across the Trust.
- Supported over 500 members of staff with MSK issues, through Physio Direct.
- Introduced Wellness in Nature sessions.
- Received £425k of funding from Southmead Hospital Charity to support staff wellbeing, plus £50k from NHS Charities Together for work with staff from BAME groups.

During 2020/2021 our reputation for a strong focus on staff health and wellbeing was further recognised nationally, including two Rewards and Benefits Association (REBA) National Wellbeing Awards, and a 'highly commended' at the Healthcare People Management Association Awards.

Just Culture

NBT's commitment to developing a restorative Just Culture progressed throughout the year, with accredited training commissioned via Mersey Care NHS Foundation Trust and the University of Northumbria delivered to 40 NBT managers, clinicians and union representatives at the end of 2020.

A follow-up project plan will ensure the implementation and embedding of the learning and good practice from this training across five key workstreams:



During 2020, this work was aligned with the innovative work programme of the Patient Safety team and the lead Freedom to Speak up Guardian. This has ensured consistent messaging and approaches, underpinning an overarching objective of enabling staff to feel psychologically safe at NBT and able to raise concerns or be honest when something has not gone as hoped or expected.

Supporting this objective, we now have 50 Just Culture ambassadors at NBT who are supporting the roll-out of the Just Culture programme of work.

Equality, Diversity & Inclusion

During a challenging year we have done significant and important work to minimise inequalities.

The way the pandemic has impacted on different groups, both staff and patients, has bought tackling health inequalities to the fore, along with improving workplace experiences for staff from different equalities groups.

Listening events were arranged with our ethnic groups of staff as we, along with the rest of the NHS, became aware of the hugely disproportionate impact of COVID-19 on people from BAME backgrounds. Resulting efforts led to individually focused risk assessments and a relaunch of the staff BAME Network, with increased protected time for lead members.

We were fortunate to be awarded additional funding from NHS Charities Together to work with staff to find solutions to address the ongoing challenges highlighted by the pandemic and Black Lives Matter. This has resulted in race equality work using a range of initiatives including developing a reciprocal Valuing Together Mentoring Programme, planning implicit bias training and improving support to staff targeted by racism, discrimination, bullying and harassment. This work aligns with our annual Workforce Race Equality Standard (WRES) Action Plan and will help us ensure equality.

Additional funding from the national Workforce Disability Equality Standard (WDES) Team has allowed us to start to develop a Neurodiversity Programme consisting of training, a buddy scheme, a directory and a toolkit. This was all done in partnership with neuro-diverse staff.

We re-launched our Rainbow lanyards and badges as part of our Lesbian, Gay, Bisexual & Transgender (LGBT+) History Month along with organising two seminars. These activities have increased our profile and encouraged new members to join our staff LGBT+ Network.

For International Women's Day 2021 we launched Spotlight profiles of women who work across a range of roles and held a morning get together with the Chief Executive and Director of People & Transformation. This event has led to discussions about setting up a management and leadership mentoring programme for female staff and a commitment to continue with an annual get together.

In 2020/21 we also supported the system-BNSSG Equality, Diversity & Inclusion (ED&I) work by sponsoring and co-chairing the EDI Leads Group. The Group shares expertise and resources between local health and care organisations and we look forward to continuing this shared strategic agenda in the coming years. In March, we launched our first Reciprocal Mentoring Scheme with all Executive Director colleagues signing up to be in the first cohort.

Growing and Developing our Workforce

Resourcing & retention

NBT has continued its own successful retention programme as well as leading the BNSSG retention pilot, which included representing acute Trusts in the DHSC 'task and finish' project work linked to nurse retention and the Prime Minister's 20,000 new nurses' ambition.

All engagement and recruitment activity moved online at the beginning of the financial year and process timeframes were shortened as part of COVID-19 response. However, despite the challenges faced we:

- Bid for and received additional NHSE/I and Health Education England funding to support additional recruitment and retention activities in both Healthcare Support Worker and International nursing staff groups – totalling £797,500.
- Had 78 new starters join through our international recruitment scheme, bringing the project total to 150 since June 2019, with only one leaver to date and 100% OSCE pass rates.

Apprenticeships

The Trust had another successful year delivering in-house Apprenticeships through its membership of the South West Association of Training Providers. Adaptations and innovations to the Apprenticeship delivery model were made to allow the programme to continue through the pandemic.

NBT continues to operate as a main provider for Apprenticeship delivery, which enables the Trust to utilise part of its apprenticeship levy funding. We have consecutively exceeded the public sector target of 2.3%, with a three-year average of 3.1% of the workforce engaged in apprenticeships.

NBT has also continued to be a key member of the BNSSG apprenticeship group and is still working to jointly procure apprenticeship provision. We have worked closely with Higher Education Institutes to enrol staff onto apprenticeships in a variety of clinical and non-clinical areas including healthcare science, leadership, management and nursing associates. The Trust continues to embed a 'grow our own' model and to identify opportunities to innovate our Apprenticeship offerings in areas that are proving challenging to recruit into.

In 2020/21 NBT continued to offer a number of Traineeships to unemployed 19-24-year-olds from the local community. To date, 88% of the Traineeship participants have secured paid employment with the Trust. We also supported two placements with The Women's Work Lab, which supports unemployed mothers in the South West back into the workplace, with two having gone on to gain paid employment with NBT.

Service Line Management (SLM)

The Trust remains firmly committed to the SLM programme. Whilst masterclass activity had to be scaled back in 2020/21, many of the SLM principles of service line management have continued in practice. The SLM programme for 2021/22 has already been announced and participation widened to include the Divisional Leadership Teams, which will aid devolution of decision making down to specialty lead.

One NBT Leadership programme

Following its launch in June 2019, over 250 staff registered for the OneNBT Leadership programme. The programme is based around the NHS Health Leadership Model and aims to develop the capability and skills of our leaders. Developed through consultation with staff, the programme is designed around a diagnostic understanding of our leaders' strengths and areas for development. The programme includes a series of positive action modules for ethnic staff groups. All staff are also supported through access to coaching, action learning and MBTI profiling. In addition, a Matron Leadership Programme launched in Sept 2020. Twenty learners have completed the ILM Level 2 qualification and 12 the Management Apprenticeship

Clinical and mandatory training development

NBT moved the majority of the Mandatory and Statutory (MaST) learning content online and has continued to achieve compliance levels above the 85% threshold.

Better People Support

As a result of the People Team's work to improve people practices, more generally during 2020 we:

- Managed the migration of all our information (including all our toolkits and supporting resources) onto our new NBT intranet LINK, to enable staff and managers to have easy access, regardless of where they were working.
- Have seen over the last year more people issues being resolved informally, fewer suspensions and fewer serious employee relations cases;
- Built case reviews and de-briefs to ensure lessons learnt are included in our practices;
- Implemented our Employee Relations Case Tracker, which has allowed greater visibility of formal cases at NBT, as well as oversight of hotspots and areas of both good practice and concern.
- Commenced a review of all our People policies, which are being refreshed so that they align with a Just Culture approach at NBT.
- Ensured a fair and transparent process for developing and communicating advice and guidance for managers and staff, linked to managing COVID-19 related workforce challenges. This has led to the development of COVID-19 guidance pages and FAQs on LINK which have had thousands of 'hits' during

the acute phases of the pandemic and ensured consistency of approach and support for staff.

- Delivered Phase One (technical infrastructure) of the ESR Optimisation project. Payslips are now digital, and the project plan is in place for future phases i.e. benefits realisation underpinned by management and employee self-service.
- Rolled out eRoster for all eligible junior doctors.
- Introduced eJob planning for consultants and speciality doctors.
- Progressing digitalisation of employee records.
- Implemented the junior doctor contract.

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.

In 2020, the Board approved plans for a restructure of the FTSU Guardian network through the creation of a specific independent Lead FTSU Guardian post with protected time to undertake the role. This will support and strengthen the established FTSU network and it aligns NBT with best practice as described by the National Guardian's Office. The Lead FTSU Guardian took up the post on 18 January 2021.

NBT saw fewer concerns raised in the first three quarters of 2020/21 when compared to similar-sized NHS organisations. The number of concerns raised in quarter 4 of 2020/21 has risen, aligned with the more visible and proactive approach taken by the new Lead Guardian. The types of concerns raised by staff continued to align generally with the national position. 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. A refreshed vision and strategy/action plan is under development for approval in early 2021/22.

Health and safety

The year was shaped by the Coronavirus Pandemic and the Health & Safety Services (H&SS) Team played its part in enabling the Trust to successfully manage all that was asked of it.

Throughout the year the team provided intensive delivery of Manual Handling training to upskill staff for flexible deployment and responded to specific requirements to

support the Personal Protective Equipment (PPE) team, as well as developing, supporting the and monitoring the safe operation of COVID-Secure working. This latter initiative enabled over 50 non-clinical areas (many hundreds of staff) to operate safely, mask-free from Summer 2020. Other key contributions included delivery of hundreds of COVID-specific H&S Risk Assessments including evaluation of respiratory protection elements of PPE.

A very positive effect of Health and Safety Services' Pandemic response has been an extended network and H&S understanding across the Trust, which will be built on during the coming year.

Pandemic working created a reduction in the overall numbers of incident reports via the Datix incident reporting system along with those meeting the criteria for reporting under RIDDOR. There were, however, in excess of 200 individual RIDDOR reports submitted as a result of staff COVID-19 outbreaks. The Team supported the management of all outbreaks and was the reporting route to the Health and Safety Executive (HSE). The HSE did not follow up on any of this reporting.

The Trust was selected as one of 17 NHS Trusts to be formally inspected in regard of COVID-19 control and compliance, in early December 20. The Inspectors' report cited some elements of non-compliance, requiring action in the areas of: Social Distancing, Cleaning, Risk Assessments and Management Engagement. All elements were promptly addressed, and no further action followed. The summary report of all 17 inspections identified similar issues but recognised the extreme commitment and endeavour evident by all.

Plans for 2021/22

- Implementation of a new National Violence Prevention and Reduction Standard which will better equip staff to recognise and respond to clinically challenging behaviour.
- We intend to appoint an Authorising Engineer - Fire Audit, to strengthen our focus on fire safety, remediation and compliance.

Our Financial Position

Financial Performance

Due to the pandemic response the NHS suspended normal commissioner contracting processes. Instead, for the first half of the year Trusts were funded to recover their underlying cost base along with reasonable costs incurred in managing the pandemic response. These costs were claimed in line with NHS England and NHS Improvement guidance. For the second half of the year Trusts were funded at their underlying cost base with a fixed envelope to cover additional costs of managing the pandemic response.

The Trust has achieved a performance-adjusted surplus for 2020/21 of £465k (0.06% of turnover), against a required breakeven performance by NHS Improvement.

The reconciliation of this to our surplus from continuing operations is shown below:

	2020/21 (£000)
Surplus for the year from continuing operations	3,005
Add back Annual Managed Expenditure (AME) net impairments / (reversals)	31
Remove capital donations / grants and Income & Expenditure impact	(1,689)
Remove net impact of DHSC centrally procured inventories	(351)
Remove gain on sale of Property, Plant and Equipment	(531)
Adjust financial performance surpluses for the purposes of system achievement	**465**

Despite the pandemic response, the Trust delivered recurrent savings of £2.0m which was reinvested into clinically prioritised service developments to improve the quality of patient care.

The Trust entered the year with an underlying deficit of £47.4m. As Trust income this year was not based on levels of activity delivered (payment by results, or 'PbR'), it is not possible to accurately estimate how this underlying deficit moved within the year. The impact of the mix of services provided within the Private Finance Initiative (PFI) hospital and the local prices agreed with commissioners remain the main drivers of the deficit. The financial sustainability of the PFI was predicated on improvements to upper quartile performance in operational performance around patient flow through the hospital, patient length of stay and productivity which have been partly hampered by increased demand for non-elective services above expected rates. Under the new emerging ways of working towards an Integrated Care System (ICS), the underlying deficit will be reduced through closer working with commissioners and other partners to increase to planned levels of productivity.

During the year, in line with national policy the Trust received £178,461k of Public Dividend Capital (PDC) funding which replaced a series of loans to the Department of Health and Social Care that were at a range of different terms and interest rates. This 'debt for equity' transfer has moved the Trust into the position where it is required to

pay PDC payments for the first time. These payments were funded by the removal of the requirement to pay interest on the loans.

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 2020/21 and the previous five years of the Trust.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Breakeven Duty - annual	(51.6)	(42.9)	(12.1)	(7.4)	7.5	10.8
Breakeven Duty - cumulative	(67.2)	(110.1)	(122.2)	(129.6)	(122.1)	(111.3)
External Financing Limit	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Capital Resource Limit	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved

Despite recording surpluses in the last two years, the Trust remains cumulatively in deficit over the five-year period ending 31 March 2021. As a result, in accordance with their statutory responsibility, the Trust's external auditors have made a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014. This approach is consistent with previous years. Under the financial regime for 2020/21 and 2021/22 to date, Trusts are being managed against a break even requirement in-year and so it is unlikely that the Trust will be able to meet this statutory requirement until a financial regime that allows significant Trust surpluses to be generated exists.

The movement from 2018/19 to 2019/20 mainly consists of additional Provider Sustainability Fund (PSF) of £9m in addition to underlying improvements. For 2020/21 the Trust was not operating under the PbR regime due to the impact of the pandemic response and so received payments to cover the underlying deficit as part of the block funding arrangements.

Capital expenditure for 2020/21 was £40,486k. This figure comprised internally generated funds of £18,738k, together with expenditure related to COVID-19 and other national priorities received via additional PDC of £21,748k.

The Trust has a capital plan of £21m for 2021/22 and an opening cash position of more than £120m. The expected breakeven position in 2021/22 (notwithstanding that guidance around funding from 1 October 2021 has not yet been issued) and a capital plan affordable from internally generated funds means that the Trust has sufficient cash in 2021/22 that cash support from the Department of Health & Social Care will not be required.

After considering the above and making appropriate enquiries the directors of the Trust

have a reasonable expectation that North Bristol NHS Trust has adequate resources to continue in operational existence for the foreseeable future. The annual report and accounts for 2020/21 have therefore been prepared on a going concern basis

Our Community

Fundraising - Southmead Hospital Charity

Working to support the Trust, the Charity raises funds across our hospitals to make life better for the patients our Trust treats every year and for our staff by funding projects across our five key areas of support:

Thanks to our donors, fundraisers and volunteers we make a real impact by funding: pioneering research projects; health and wellbeing projects for our patients; wellbeing and training provision for staff; innovative cutting-edge equipment and improvements to our building and spaces. Every pound donated to the Charity stays local, and everything we fund enriches the healthcare the Trust provides supporting the 1,000,000 local population and over four million people across the wider South West and beyond.

At the start of the financial year the impact of Coronavirus both world-wide and within the UK became clear. The Charity team redesigned its plans and focused its fundraising activity on a Coronavirus Appeal, adapting and evolving activity as more traditional forms of community fundraising were replaced with online and digital activity. Whether they have donated time, money or a gift, or taken on a fundraising challenge, since the start of the pandemic our donors and supporters have raised over £3.7 million, and £2.43 million in the 2020/2021 financial year.

We are proud to have supported many projects over the last year, which include:

Research

- £105k towards Long-COVID research projects, collaborating with researchers nationally
- Two PhD students in Brain Tumour Research

Patient & family wellbeing

- Sensory equipment to engage and distract patients
- 12,000 baby scan images for parents
- 130 patient tablets to enable patients to keep in contact with friends and family whilst in hospital
- Specialist rehabilitation equipment for patients following a stroke

- Online remote provision to support patients with Parkinson's and Multiple Sclerosis

Staff wellbeing & training

- £400k to support staff counselling
- Bereavements grants to the families of staff who we have lost their lives due to the pandemic
- Florence Nightingale Nurse training programme
- Improvements to over 45 staff rest areas

Cutting-edge equipment

- Lifesaving critical care equipment
- Two double telepresence robots to support remote visiting
- Spirobank smart spirometers
- Handheld ultrasound machines for our surgical teams
- Pressure mapping equipment to support patients who use mobility devises

Enhancing buildings & spaces

- 16 outdoor tables and benches for staff and patient rest areas
- Calm rooms for staff to use to reflect and seek support
- Upgrading of patient waiting room within the Trust's medicine division

As a Charity we constantly aim to improve and renew our processes in order to guarantee that we are implementing and delivering best practice, giving donors confidence and assurance in our charitable activity and future ambitions. Throughout the year we have made numerous improvements, including a review of our policies and procedures and thorough planning. Our new strategy includes the introduction of refined processes and new workflows and governance to ensure we continue to deliver the very best for our donors and the patients and staff the Trust supports.

Reviewed by our Charity Committee and Corporate Trustee meetings, the Charity's activity is scrutinised at the very highest level of the Trust. To find out more about what our work and the impact charitable donations make each and every day to the Trust visit: www.southmeadhospitalcharity.org.uk

Volunteering

To ensure the safety of patients and volunteers during 2020/21 a significant proportion of volunteers temporarily stepped down from their patient-facing roles. However, we adapted existing volunteer roles and created new ones to ensure that the volunteers continued to support patients and staff:

- The Move Maker team continued our meet and greet service, supporting check in and promoting mask wearing and hand hygiene measures. In addition, the team delivered patient belongings to wards to support the visiting policy

restrictions. The team also assisted the Vaccination Centre to improve the patient welcome experience. The whole team contributed to the Hidden Disability Sunflower Scheme by providing lanyards and bracelets to those who require one.

- The Response Volunteer role was adapted to focus on supporting the pharmacy to deliver medications to wards, with the aim to free up ward staff to conduct meaningful tasks.
- A new Antenatal meet and greet role was created to support the flow of the waiting area during scan visiting restrictions.
- Staff pianists continued to play in the Atrium for the enjoyment of patients, staff and visitors.
- A remote Volunteer Reader role was created to support the communications team to receive feedback on patient leaflets.
- During the winter, an Adverse Weather Driver role was created in anticipation of assisting staff to travel to and from work during adverse weather.
- Our peer support roles have been adapted so that they can be conducted safely over the telephone instead of face-to-face.
- The volunteer team supported Southmead Hospital Charity to distribute donations of food and toiletries to staff throughout the hospital.

The Volunteer service continued to provide extremely valuable support for patients, the public and staff whilst ensuring that suitable precautions were taken to manage this safely for everyone.

Protecting our Environment

Leadership in Sustainable Development

Our 2019-23 Strategy commits us to be an Anchor in the Community with associated responsibilities for sustainable development, local product sourcing and population health and illness prevention. Our annual board-approved Green Plan supports these aspirations, documents our progress and is available online from October annually: www.nbt.nhs.uk/sustainablehealthcare.

Being an Anchor in the Community

Working more closely with local partners

Our sustainability work involves collaboration with local, regional and national partners. This year we were invited to sit on the national NHS Net Zero System Leadership Group and Sustainable Procurement Forum in recognition of our contribution to those areas.

Using Buildings and Spaces to Support Communities

We usually use our indoor and outdoor spaces to engage with staff, patients and visitors on sustainability. This year's events were greatly reduced and focussed on the promotion and enhancement of outside spaces: tree planting, installation of picnic benches, use of the allotment and the delivery of Wellness in Nature sessions. On retirement our Chief Executive Andrea Young renamed part of our grounds "Lime Tree Neighbourhood Park", reflecting our role as an Anchor in the Community and encouraging the local community to share our open spaces.

The NHS as an Employer

During 2020 we ran our fifth year of Green Impact, a staff engagement scheme which encourages simple and effective actions to support our objectives.

Developing Sustainably

Assessment

We have improved our score from 63% to 67% under the national Sustainable Development Assessment Tool (SDAT). The assessment requires comparison of the Trust's sustainability performance against 295 criteria and across 10 modules.

Carbon reduction target

To establish the journey, we need to take to achieve our Carbon Neutral 2030 goal we have commissioned the production of a Route Map. The work will set out the priorities and timeframes for taking action across all three scopes of our emissions.

Adaptation to climate change

This year we supported the approval of the UK's first STP-wide Climate Change Adaptation Plan. The next steps are to conduct a Climate Change Risk Assessment to determine the key shared risks across the region, to identify actions to reduce theseand to increase our resilience through adaptation measures.

Energy/Water/Waste

Full statistics on our actual consumption and associated carbon emissions will be reported in the Trust's annual Green Plan in October. The effects of the pandemic on our waste generation have been significant, with an anticipated additional 300 tonnes of infectious waste. Utility figures have been estimated pending receipt of final bills but a reduction across all 3 areas is predicted.

2021-21	
Energy use	↓
Gas use	↓
Water use	↓

Travel

During 2020-21, the Trust made good progress on the Travel Plan. COVID-19 has had a significant impact on how we travel, and how often and there has been an increase in people using active travel modes. Those choices have an impact on health and wellbeing and our environment. A Fleet and Transport scoping study has led to recommended actions for 2021-22 to ensure we meet the requirements of the NHS Long Term Plan, our carbon goals and the Bristol Clean Air Zone.

We have established an Electric Vehicle (EV) Task and Finish Group to enable NBT to deliver adequate charging infrastructure, capitalise on the benefits of EV usage and bring positive changes to staff and patient travel behaviour.

We continue to offer a wide variety of incentives and facilities to encourage staff to choose sustainable travel choices. During 2020-21, patient and visitor travel has been significantly influenced by the pandemic, with fewer journeys to site being made. The use of remote consultations and tele-medicine has seen a significant increase and is expected to continue being utilised where appropriate in the future.

Accountability Report

Corporate governance report

NHS bodies are required under statute 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 Sustainability & Transformation Partnership (STP) / Integrated Care System (ICS), 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. In 2020/21, the Trust appointed two Associate Non-Executive Directors to join the Trust Board. These posts were created to bring diverse skills and perspectives that are currently under-represented atboard-level, and to serve as a talent development and succession planning pipeline for NHS Non-Executive Directors.

As of 31 March 2021, there were no executive or non-executive vacancies on the Trust Board. The details of individual Director appointments and board members' other directorships and significant interests are detailed within the Annual Governance Statement below.

In normal circumstances, the Trust Board meets regularly in public and invites questions from members of the public on any items covered during the meeting. Due to the impact of the COVID-19 pandemic in 2020/21, and in line with guidance from our regulators, the Trust Board met virtually via secure videoconferencing or via a combination of face-to face (with social distancing) and virtually. Due to various national lockdowns, social distancing requirements and infection prevention control measures, members of the public were not invited to attend public meetings during 2020/21. Public Board papers continued to be published on the Trust's website and questions from the public were invited. From July 2020, a video recording of each public Trust Board meeting was published on the Trust's website following the meeting.

The Trust undertook its Annual General Meeting (AGM) on 24 September 2020 to present the 2019/20 annual report and accounts. Members of the Trust Board met via a combination of in person (with social distancing) and virtually, and the AGM was broadcast via video livestream.

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 in carrying out its functions. Through most of 2020/21 the Board committees comprised an Audit Committee, Finance & Performance Committee, People & Digital Committee, Quality & Risk Management Committee (QRMC), Patient & Carer Experience Committee, and a Nominations & Remuneration Committee. Terms of reference for these committees are reviewed on an annual basis, and they report to the Board following each meeting. In December 2020 the Board approved a change to the structure and delegated responsibilities of the People & Digital Committee. The responsibility for oversight of Digital/IM&T (operations and transformation) was transferred to the Finance & Performance Committee so that it could be reviewed alongside the Trust's wider transformation programme. The People & Digital Committee was renamed to the People Committee and the frequency of meetings was reduced from bi-monthly to quarterly.

Further detail on the composition and business of the board's committees are set out in the Annual Governance Statement below.

Impact of COVID-19 on Committees

In March 2020 Trust Board took the decision to stand down a number of its Committees to allow additional management focus on the impact of the COVID-19 pandemic. The decision was taken to stand down Finance & Performance Committee, People & Digital Committee and Patient & Carer Experience Committee for approximately three months. The statutory Audit Committee and Charity Committee and the Nominations & Remuneration Committees continued to meet, together with the Quality & Risk Management Committee. Items from the stood-down Committees' work plans were added to Trust Board agenda as required.

This decision was reinforced following the receipt of national guidance on 28 March 2020 recommending that providers streamline their committee meetings and defer them where possible.

Committee meetings were reinstated over the summer and autumn of 2020; however, some Committees were stood down again in January-March 2021 to allow additional management focus on a further wave of COVID-19.

Over 2020/21 the following Committee meetings were stood down:

Committee:	Meeting date:
Finance & Performance Committee	April 2020 June 2020 February 2021
People & Digital Committee	April 2020
Patient & Carer Experience Committee	May 2020 July 2020 January 2021 March 2021

The Quality & Risk Management Committee met monthly between April – July 2020, and bi-monthly thereafter.

Audit Committee

Members of the Trust's Audit Committee in 2020/21 have been:

- Jaki Davis, Non-Executive Director (Chair 1 April 2020 - 30 September 2020)
- Richard Gaunt, Non-Executive Director (Chair 1 October 2020 – 31 March 2021)
- 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 £110,400 (including VAT) for statutory audit services to the Group (£96,000 for the Trust).

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.

In 2020/21 the Trust paid 87% of non-NHS invoices within 30 days compared with 82% 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 policy was updated to reflect current best practice in April 2020. The Trust maintains a qualified Local Counter Fraud Specialist (contracted from KPMG LLP) which 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
- Use of NHS General Terms and Conditions of Contract for Goods and Services which cover all suppliers to the Trust including medicines
- Due diligence within our procurement and tendering processes to test that selected suppliers and third parties are complaint with the Modern Slavery Act (2015).

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. We believe in treating individuals with respect and dignity, and do not condone the use of products or services which infringe the basic human rights of others. We expect our suppliers and business partners to adhere to these high standards and to take all reasonable steps to combat slavery and human trafficking.

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 2021 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 2020/21 it primarily discharged this responsibility through the receipt and review of:

- Quarterly reports on the Board Assurance Framework and Trust Levels Risks to ensure key risks were identified and controls or assurance gaps were being addressed;
- Regular upward reports from its 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 financial year-end accounts and value-for-money (VFM) opinion, the formal and informal visits/inspections from the CQC and other external regulators as relevant.

Authority was delegated by the Board to various 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.

Approved terms of reference for each of the Board's Committees and the Chief Executive's 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 as at 31 March 2021 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 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 auditors.

The Chair of the Audit Committee is a qualified accountant. The other Non-Executive members of the Audit Committee in 2020/21 comprised the chairs of the People & Digital Committee (now the People 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 financial and operational 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. From December 2020 responsibility for oversight of Digital/IM&T activity moved to this Committee.

In 2020/21, 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 & 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 2020/21 its membership comprised of three Non-Executives (one of them as chair) and three Executive Directors.

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).

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. In 2020/21 the Committee focused particularly on the clinical and quality framework for the Nightingale Hospital Bristol and the mass vaccination work, and on the safe management of patient waiting lists, which expanded significantly as a result of the COVID-19 pandemic.

People 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 (until December 2020 when responsibility for oversight of digital/IM&T moved to the Finance & Performance Committee).

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).

In 2020/21 the Committee membership initially comprised three Non-Executives (one as chair) and five Executive Directors. From December 2020 the number of Executive Directors reduced by one, with the Director of Informatics no longer required to attend.

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 2020/21 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 not filled during 2020/21.

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

While not a formal committee of the Trust Board, 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 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, five Divisional Directors of Nursing / Midwifery / Allied Health Professions, and other core functional leaders

(including the Director of Research and Innovation and Chair of the Medical Advisory Committee).

In 2020/21, the Trust managed the operational response to the COVID-19 pandemic through a specific Emergency Preparedness, Resilience and Response (EPRR) command and control structure, which is outlined in more detail below. This meant that during times of operational pressure, the day-to-day management of the hospital took place through the command and control structure. TMT operated as a forum for Trust-wide and cross-divisional discussion and engagement and continuing to focus on non-COVID-19 operational matters. As the pressures of the COVID-19 pandemic eased towards the end of 2020/21, reliance on the command and control structure has reduced and TMT has returned as the main operational decision-making forum.

Acute Services Review Programme Board

In 2020 NBT and University Hospitals Bristol & Weston Foundation Trust constituted a "committee in common" called the Acute Services Review Programme Board. This Programme Board is a committee of each organisation's Trust Board and provides Non-Executive and Executive oversight on clinically led change that maximises the benefits and outcomes for the people we serve. It also provides a formal forum for alignment of strategic priorities and discussion on acute provider collaboration.

Southmead Hospital Charity Committee

The Trust is the Corporate Trustee of the group of charitable funds registered together with the Charity Commission under the charity registration number 1055900 in the name of North Bristol NHS Trust Charitable Funds. The Southmead Hospital Charity Committee oversees the operation of these charitable funds to ensure they are managed and operated in accordance with relevant governing documents and in a manner that is compliant with relevant legislation and guidance from the Charity Commission, Fundraising Regulator and the Information Commissioners Office. A separate Trustee's report is published annually providing additional detail on the business of the Committee.

Trust Board members

Board membership for the year ending 31 March 2021 are set out below. Biographies of existing board members can be located on the Trust's website.

Non-Executive Directors:

- Michele Romaine, Trust Chair
- Tim Gregory, Vice-Chair
- Professor John Iredale
- John Everitt
- Kelvin Blake

- Kelly Macfarlane *(joined from 1 April 2020)*
- Jaki Davis *(in post until 30 September 2020)*
- Richard Gaunt *(joined from 1 April 2020 as Associate Non-Executive Director, non-voting. Joined as a voting Non-Executive from 1 October 2020)*
- Ade Williams *(joined from 1 April 2020 as an Associate Non-Executive Director, non-voting)*
- LaToyah McAllister-Jones *(joined from 1 September 2020 as an Associate Non-Executive Director, non-voting)*

Executive Directors

- Andrea Young, Chief Executive *(in post until 11 December 2020)*
- Evelyn Barker, Chief Operating Officer & Deputy Chief Executive *(in post until 15 November 2020, thereafter, Designate Chief Executive until 11 December 2020, thereafter Interim Chief Executive)*
- Karen Brown *(Interim Chief Operating Officer from 15 November 2020)*
- Dr Chris Burton, Medical Director *(and Deputy Chief Executive from 12 December 2020)*
- Helen Blanchard, Director of Nursing & Quality
- Catherine Phillips, Director of Finance *(in post until 28 February 2021)*
- Glyn Howells, Chief Finance Officer *(joined from 1 March 2021)*
- Jacqui Marshall, Director of People & Transformation *(non-voting)*
- Neil Darvill, Director of IM&T *(non-voting)*
- Simon Wood, Director of Estates, Facilities & Capital Planning *(non-voting)*

Changes to the Trust Board

There were a number of personnel changes on the Board in 2020/21. The Trust's Chief Executive, Andrea Young, retired in December 2020. The Deputy Chief Executive & Chief Operating Officer, Evelyn Barker, accepted a short-term appointment as interim Chief Executive to allow the recruitment of a substantive Chief Executive. Maria Kane subsequently joined the Trust as substantive Chief Executive in April 2021/22. Karen Brown joined the Executive Team as Interim Chief Operating Officer from November 2020. Catherine Phillips, Director of Finance, left the Trust in February 2021 and was replaced by Glyn Howells, Chief Finance Officer, from March 2021.

The Trust welcomed a number of new Non-Executive Directors during 2020/21. Kelly Macfarlane joined the Board from April 2020, replacing Robert Mould as Non-Executive Director. Richard Gaunt joined the Board initially as an Associate Non-

Executive Director (Audit Chair Designate) and became a voting Non-Executive Director and Chair of Audit Committee from 1 October 2020 replacing Jaki Davis.

The Trust created two additional Associate Non-Executive Director posts as development opportunities and to bring diverse skills and perspectives that are currently under-represented at board-level. Ade Williams was welcomed as the first Associate Non-Executive Director from 1 April 2020, and LaToyah McAllister-Jones from 1 September 2020.

Attendance at Trust Board and Committees:

Board member:	Trust Board (public) 6	Extraordinary Trust Board Meeting 2	Trust Board (private) 12	Audit Committee 5	F&PC 3 (3 cancelled)	F&PC Extraordinary 1	QRMC 7	Extraordinary QRMC 2	TMT 12	P&D (People Committee from March) 5 (1 cancelled)	Rem & Nom Committee 8	Charities 5	Patient and Carer Experience Committee 2 (4 cancelled)	Acute Services Review Programme Board 4
Michele Romaine	6/6	2/2	12/12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8/8	4/5	N/A	N/A
John Everitt	6/6	2/2	12/12	5/5	3/3	1/1	N/A	N/A	N/A	N/A	8/8	N/A	N/A	N/A
Jaki Davis (until September 2020 inclusive)	3/3	2/2	6/6	3/3	1/1	0/1	3/4	2/2	N/A	1/2	3/4	3/3	N/A	N/A
John Iredale	5/6	2/2	10/12	N/A	N/A	N/A	7/7	2/2	N/A	N/A	3/8	N/A	N/A	3/4
Tim Gregory	6/6	2/2	11/12	5/5	3/3	0/1	N/A	N/A	N/A	5/5	8/8	N/A	N/A	N/A
Kelvin Blake	6/6	2/2	11/12	N/A	N/A	N/A	7/7	2/2	N/A	5/5	8/8	5/5	2/2	N/A
Kelly MacFarlane	5/6	2/2	12/12	N/A	3/3	1/1	5/7	0/2	N/A	N/A	8/8	N/A	N/A	4/4
Richard Gaunt	6/6	2/2	12/12	5/5	N/A	N/A	N/A	N/A	N/A	5/5	8/8	5/5	N/A	N/A
Ade Williams	5/6	2/2	10/12	N/A	N/A	N/A	6/7	0/2	N/A	N/A	7/8	N/A	2/2	3/4
LaToyah McAllister-Jones (From	3/4	N/A	5/7	N/A	1/2	N/A	N/A	N/A	N/A	N/A	2/5	N/A	0/1	N/A

September 2020)														
Andrea Young (until November 2020 inclusive)	4/4	2/2	8/8	N/A	N/A	N/A	N/A	N/A	8/9	N/A	5/5	N/A	N/A	N/A
Evelyn Barker	6/6	2/2	12/12	N/A	2/2	1/1	5/5	2/2	12/12	N/A	3/3	N/A	N/A	N/A
Chris Burton	6/6	2/2	11/12	N/A	N/A	N/A	6/7	2/2	12/12	2/5	N/A	N/A	N/A	4/4
Helen Blanchard	6/6	2/2	12/12	N/A	N/A	N/A	6/7	2/2	11/12	2/5	N/A	2/5	2/2	3/4
Catherine Phillips (until February 2021 inclusive)	5/5	2/2	10/11	4/4	2/3	1/1	N/A	N/A	9/11	N/A	N/A	4/5	N/A	N/A
Jacqui Marshall	6/6	2/2	12/12	N/A	1/3	1/1	N/A	N/A	12/12	5/5	8/8	3/5	N/A	N/A
Simon Wood	6/6	0/2	11/12	N/A	N/A	N/A	N/A	N/A	10/12	1/5	N/A	N/A	N/A	N/A
Neil Darvill	6/6	2/2	12/12	N/A	N/A	N/A	N/A	N/A	12/12	4/4	N/A	N/A	N/A	4/4
Karen Brown (COO from Dec 2021)	2/2	N/A	4/4	N/A	1/1	N/A	2/2	N/A	4/4	N/A	N/A	N/A	N/A	N/A
Glyn Howells (from March 2021)	1/1	N/A	1/1	N/A	N/A	N/A	N/A	N/A	1/1	N/A	N/A	N/A	N/A	N/A

Board effectiveness and development

The Trust Board undertook a formal cycle of externally facilitated development during 2019/20, which concluded in March 2020. A further development programme was to have been scoped and commissioned; however, this was de-prioritised as a result of the COVID-19 pandemic and associated NHS operational response.

The Chair of the Board and the Chief Executive recognise the need for ongoing development and evaluation of the Board's effectiveness. Moving into 2021/22 the need to undertake a Board effectiveness review has been identified as a priority and will be carried out in May/June 2021. Similarly, a Board development programme will be commissioned, taking into account the significant number of new Board members who joined in 2020/21.

Well-Led Services

The most recent CQC inspection in September 2019 identified the trust as "Good" overall and "Outstanding" when assessed against the CQC's well-led framework. The Trust has continued to maintain an internal well-led self-assessment document. The CQC identified that the leadership, governance and culture of the organization promote the delivery of high-person-centered care, and that leaders were experienced and approachable with clear vision for the services they delivered.

Quality Governance

The Trust is fully compliant with the registration requirements of the CQC andmaintains 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 undertakenby the CQC. During 2020/21, the Trust has liaised closely with the CQC in ensuring correct registration and quality assurance of the Nightingale Hospital Bristol and the Mass Varication Centre at Ashton Gate, Bristol, both of which the Trust managed on behalf of the local healthcare system as part of the COVID-19 pandemic response.

NBT has worked closely with the CQC in relation to the pandemic, which has included virtual 'roundtable' reviews of our Infection Prevention & Control Board Assurance framework, our Emergency Medicine practices linked to the 'Patient First' publication and a system-wide CQC review of DNACPR for patients with Learning Disabilities.

The Trust participated in an on-site inspection for Gynaecology services, which was reported in February 2021, with very positive inspection findings.

Internally, 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. We have also undertaken internal 'mock inspections' using CQC style spot checks within the three core services that had 'must do' actions from the 2019 inspection.

Finally, the Trust has reviewed and responded to the national consultation on the CQC's new strategy and this has informed the ongoing internal assurance approach.

Amidst the challenges of the pandemic, NBT has continued to develop its Quality Strategy, building on the work undertaken in the previous financial year. This quality strategy was approved by the Trust Board in July 2020, shaped across the following three key themes:

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

Focus on improvement projects that align to these themes has also continued. For example, those identified within the Quality Governance Improvement Programme, such as Consent & Shared Decision-Making, Ward accreditation and Divisional and Speciality Quality Governance. Similarly, strong progress has been made developing and gaining board approval for work shaping a just safety culture, becoming the newest national early adopter of the Patient Safety & Incident Reporting Framework (PSIRF) and implementing a system-wide Medical Examiner service. These workstreams are core development areas set out within the national Patient Safety strategy launched in 2019.

Throughout the year Executive Director led committees have continued to operate as follows:

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

The necessary focus on the operational priorities during the different waves of the COVID-19 pandemic meant that standing committees were reduced in length with urgent business prioritised.

The first four committees listed above report into the QRMC chaired by a Non-Executive Director and the final committee reports into the Patient & Carer Experience Committee also chaired by a Non-Executive.

The necessary focus on the impact and operational priorities for the pandemic meant that significant assurance activities were reported directly to QRMC, or received additional attention at that Committee, key examples being:

- Nightingale Hospital Bristol – development and approval of the Quality Governance Framework and ongoing Risk Register
- Mass Vaccination Centre, Ashton Gate – development of the Quality Governance framework

- Pandemic Mortality reviews – phase 1 cohort and for patients with a Learning Disability
- 'Safe to Wait' – review of approach to prioritisation of patients awaiting elective procedures and national guidance on this
- Review and actions from COVID-19 outbreaks and hospital acquired cases (including one event involving the discharge of a patient with COVID-19 to a care-home, referenced as a significant internal control issue in the conclusion below).
- Patient Safety Incident reporting during COVID-19

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 QRMC and into the executive-led quality committees outlined above where appropriate. Examples in 2020/21, reported by the internal auditors, were the Nightingale Hospital Bristol review, Management of Volunteers, Patient Experience: Complaints Process, Medical Equipment Management and Consultant Job Planning.

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 Trust Board level with additional support from the Trust Secretary.

Capacity to handle risk

During 2020/21 The Trust continued to build on its Risk Management improvement work, although this was naturally less of a priority alongside the operational response to the COVID-19 pandemic.

The Trust's risk management approach focuses on equipping staff to manage risk in a way that is simple and helpful, and appropriate to their authority and duties. Rather than an extensive "corporate risk register", the Trust ensures senior focus using:

- 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 Committees, with all TLRs mapped to an appropriate Accountability Committee for oversight.

Governance arrangements are strengthened through the use of:

- Clear reporting mechanisms;
- Standardised reporting templates;
- Simplified risk module on Datix; and
- A clear and up-to-date risk management strategy and policy

Local ownership, knowledge & skills are maintained by:

- Clinical Division and Corporate Directorate governance groups reviewing their risks in line with the Trust policy;
- All TRLs being approved by the relevant Divisional/Directorate management team;
- Upskilling key staff via 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 alongside the Trust Levels Risks on a quarterly basis.

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

During 2020/21 QRMC, as the main assurance committee, has received all Trust Level Risks and reviewed progress on them at each meeting.

Risk Appetite

Board members have participated in a risk seminar session to determine the Trust's appetite and tolerance for risk (2019/20). Ongoing challenge and review of risk appetite/tolerance forms part of the discussion at Board and Committees when reviewing Trust Level Risks, and any recommendation on changing risk appetite/tolerance would be referred to Trust Board for ratification. The Board's tolerance for risk informs the threshold for a TLR. The Trust's risk approval process strengthens divisional ownership of risk and aligns with the responsibilities of the divisional governance leads.

The Patient Safety 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 via the Trust's internal audit function 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. The 2020/21 internal audit review of risk management concluded “significant assurance with minor improvement opportunities”.

The Trust’s approach to risk management as outlined in the Risk Management Strategy and Policy, and as implemented via Datix, encourages a strong focus on identifying controls, gaps and mitigations to ensure there is a proactive approach to managing risks.

This 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 the organisation’s understanding of risk exposure. Discussions of new and emerging risks form a key part of the Trust’s 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 the Trust’s 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.

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 and 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 of the 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 the IT Service

Desk to investigate further, i.e. virus risks, phishing attacks etc. IM&T also monitor 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 Care CERT 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).

As part of the overall IM&T cyber security provision and assurance, the Trust is actively pursuing the Cyber Essentials Plus accreditation in 2021/22.

Strategic and Trust Level Risks

At various points during 2020/21 the following key strategic risks on the Board Assurance Framework have been scored 16 or above, and have been closely monitored by the Board and its Committees:

Strategic Risk (16 or above)	Additional context and actions to reduce or mitigate risk
Reduction in flow affects the performance of the hospital against ED 4-hour, cancer diagnosis/treatment and RTT targets. In turn this: - Affects patient experience; - Leads to potential patient harm; and - Impacts the financial performance of the organisation which results in a loss of income and increased costs.	Due to changes in patient behaviour during lock-down and the height of the pandemic, the score for this risk fluctuated throughout 2020/21. As the Trust transitions into restoration and recovery work in Q4, it continues to be a significant risk, reflecting the substantial patient waiting lists and ongoing pressure within community and primary care. The Trust continues to engage with system partners to ensure effective use of system resources and will engage fully with national restoration and recovery programmes to mitigate this risk.
Changes implemented nationally as a response to the COVID-19 level 4 emergency have resulted in a significant reduction in routine care, building backlogs and increasing wait times. The crisis has also discouraged patients from attending the hospital for both routine and emergency care. In turn, this: - Affects patient experience; - Leads to potential patient harm; and - Affects the reputation of the Trust and of the NHS.	This risk effectively became a live issue during the height of the COVID-19 pandemic. As outlined above, The Trust continues to engage with system partners to ensure effective use of system resources and will engage fully with national restoration and recovery programmes to mitigate this risk.
The global COVID-19 pandemic and the specific local impacts as described via PHE/NHSE/I modelling data has the potential to overwhelm the hospital. This would likely impact across several areas including:	This risk effectively became a live issue during the height of the COVID-19 pandemic. The Trust was able to mitigate this risk through the flexible use of its workforce, clear infection prevention control arrangements and operational escalation

- Capacity to provide effective and safe care to COVID and non-COVID patients; - Reduction in staff numbers due to staff sickness, self-isolation, and shielding; and - Public confidence in the hospital and the NHS.	frameworks implemented in line with national guidance. Throughout 2020/21 the Trust continued to focus on staff well-being initiatives and significantly improved its flexible working options including the availability of laptops, the roll-out of MS Teams and other tools to allow shielding or isolating staff to continue to contribute.
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 loss of organisational memory/experience. This results in increase corporate resource required to manage the required recruitment activity, managerial capacity diverted from addressing operational issues, increased costs and reduced efficiencies	While staff turnover rates have remained stable during 2020/21, the risk of increased turnover and the effects of the COVID-19 pandemic particularly on front-line staff cannot be overstated. Mitigations have included an ongoing focus on well-being initiatives, improved flexible working offering, and joint system working on workforce.
The national drive towards ICS and "system first" management and regulatory oversight is at odds with the statutory responsibility and accountability of individual system partners. This gives rise to a risk that organisations will face inconsistent and/or incompatible requirements from regulators. Consequences could include loss of FRF, and difficulty recruiting to senior roles across the system.	This risk has reduced in severity following the release of the government's white paper in February 2020 outlining plans for a statutory ICS structure. In the meantime, the Trust continues to be fully engaged in BNSSG Healthier Together STP workstreams.

In previous years the Trust has also monitored risks relating to commissioner funding availability and system financial control total gaps. These topics ceased to be significant issues during 2020/21 due to the NHS funding arrangements put in place as part of the COVID-19 pandemic response. The Trust Board will decide whether these financial risks are reinstated once the planning and commissioning arrangements for 2021/22 onward become clearer.

In Q3 2020/21 the Trust Board undertook a wholesale review of the Board Assurance Framework and consolidated a number of risks in order to streamline the document and ensure it remained easy to use and refer to. The decision was also taken to make the Board Assurance Framework a public document. It is now reported to the public meeting of Trust Board and is published with the board papers on the website. It is also available internally on the Trust's intranet.

In 2020/21 the Trust monitored TLRs across the following themes:

- The emergence of the global novel coronavirus COVID-19 crisis in the final quarter of 2019/20 required a nation-wide mobilisation and became the main focus of the NHS for most of 2020/21. This resulted in significant disruption to normal services. This disruption was reflected in the Trust Level Risks reported throughout the year, including the under-achievement of cancer waiting time standards and subsequent impact on patients, reduced imaging capacity,

reduced workforce capacity due to sickness, shielding and self-isolation, and the impact on staff resilience and well-being.

- Patient safety risks across falls, pressure injuries, impacts of the pandemic on planned care, increased mental health presentations and infections continued to be a focus during 2020/21. These have been mitigated through the use of training, safety briefings, thematic analysis and developing the patient safety programme as part of becoming an early adopter for the Patient Safety Incident Response Framework (PSIRF – replacement for the Serious Incident Framework 2015).

- Workforce pressures and the impact of work-related stress on the well-being of staff. This has been mitigated through continued investment in the Trust's award-winning wellbeing programme.

- Workforce wellbeing, the impact of work-related stress and increasing patient/public violence and aggression against staff (which might be better described as the increase if clinically challenging behaviours amongst a group of individuals with particular injuries and care needs). The Trust has continued to invest in its award-winning and nationally recognised staff health and wellbeing programme. Violence and aggression e-learning is in place for all staff, and externally facilitated training has been provided in some areas. The Mental Health Liaison Team and Learning Disabilities Team provide advice and guidance on management of clinically challenging behaviours.

- 2020/21 brought a particular focus onto the lived experience of staff with protected characteristics working at NBT. The risk that these staff do not feel valued or respected was identified and is currently tracked as a TLR. Work to improve this position has included a Just Culture approach being piloted across the Trust, the definition of a "Valuing You" inclusion approach, refining individual COVID risk-assessments to include risks relating to protected characteristics and particular investment in the BAME staff network.

COVID-19 governance & controls

From 16 March 2020 NBT implemented formal central command and control (C&C) arrangements in response to the COVID-19 crisis. These C&C arrangements have remained in place (with flexibility on meeting frequency) throughout 2020/21.

- **Silver Command:** 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.

  The frequency of meetings has changed throughout 2020/21 in response to specific pressures and outbreaks of infection within the community. During the height of the pandemic Silver Command met twice a day. Following periods of

national lock-down when the number of COVID patients in the hospital reduced, meetings were reduced to once or twice per week.

- **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 in April 2020 and again in November 2020, with minor changes mange to ensure they continued to be robust and appropriate in the circumstances.

Nightingale Hospital Bristol

In late 2019/20, statistical modelling underpinning the government and NHS response to the COVID-19 pandemic identified a real risk that the UK would have insufficient critical care capacity to respond effectively at the peak of the crisis. As part of the national planning and preparation, several short-term "field hospitals" were created across the UK to provide additional critical care and step-down capacity for COVID-19 patients. On 30 March 2020 NBT was identified as the host organisation for the NHS Nightingale Hospital Bristol (NHB), accountable to NHS England for the setting up and operation of the new unit at pace to provide additional ICU bed capacity for the Severn Network area of the West of England.

A clear model of corporate and clinical governance was established and agreed for the set-up, delivery and operation of the NHB. A leadership team was identified from across the Severn area, with the NHB Chief Officer reporting to the NBT Chief Executive, and the NHB reporting into NBT's existing quality and clinical governance frameworks. Engagement with key partners took place through the NHB Programme Board and the Severn Critical Care Sub-network:

The Trust Board agreed a specific amendment to the Trust's Standing Orders and Standing Financial Instructions, creating a streamlined process for financial decision making relating to the NHB.

Ultimately the NHB was not required to operate as a COVID-19 field hospital; however, it remained in "stand-by" mode throughout 2020/21 and was used for some non-COVID-

19 clinical activity by University Hospitals Bristol & Weston Foundation Trust. Decommissioning works commenced at the end of March 2021.

In Q2 2020 the Trust commissioned an internal audit review of the NHB, with a focus on the governance and decision-making around set-up and stand-by. The review returned a rating of "Significant assurance with minor improvement opportunities", providing assurance to the Chief Executive and Trust Board that the NHB had been appropriately and robustly managed.

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 (part of NHS Improvement) 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 for 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.

The events of 2020/21 have given rise to a significantly different operating environment for the NHS, and the formal management and closure of the undertakings have not been a priority. The Trust had agreed a long-term financial sustainability plan (FSP) with regulators; however, the funding and operating arrangements in 2020/21 and the focus on Integrated Care Systems moving into 2021/22 mean that the original issues dealt with in the FSP are less relevant.

Both the 4-hour Emergency Department target and the number of patients on an RTT pathway waiting over 52 weeks have remained a focus for the Trust Board throughout 2020/21. Particular attention has been paid to elective waiting lists given the impact of the COVID-19 pandemic on elective care, and QRMC has maintained close oversight of the Trust's approach to safe management of long-waiting patients.

Looking forward, 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. These actions have been largely successful in minimising the number of patients with extended waits for treatment.

The Trust anticipated a deterioration in the number of patients waiting in excess of 52 weeks for first definitive treatment in 2020/21 due to recurrent workforce and staffing capacity issues, commissioner affordability and Non-Elective pressures on Elective Care. This has been significantly exacerbated by the need to respond to the COVID-19 pandemic. Across the country patients with lower clinical priority have had their treatment delayed and this has also been experienced by patients at the Trust.

We are continuing to work with system partners to ensure that the number of patients waiting more than 52 weeks for elective surgery is stabilised in 2021/22 as part of the Elective Care recovery plans.

Workforce Safeguards

The People Committee oversees the organisations workforce strategies, systems and processes on behalf of the Board and provides assurance via regular upward reports. Throughout 2021/22 the People Committee has undertaken deep dives into:

- the workforce implications of Covid-19;
- the use of international nursing recruitment;
- sickness absence and management;
- Staff health and wellbeing initiatives;
- Workforce implications of the “restoration and recovery” programme;
- E-rostering and job planning; and
- HR case review processes and Just Culture approach.

The People Committee also contributed to the development of the Trust’s People Strategy during 2020/21.

In March 2021 the People Committee reviewed the Trust’s approach 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 regular 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 March 2021 (covering the period of April 2020-September 2020) outlined patient acuity and dependency data collected between 7 September and the 26 September 2020 using the Safer Nursing Care Tool (SNCT) (Shelford 2013), with recommendations to be supported by workforce business plans. Divisional Directors of Nursing & the Director of Midwifery reviewed the results and triangulated the findings with professional judgement in reaching conclusions and making recommendations.

The Divisional Director of Nursing for ASCR has also completed a forward-facing review of all Critical Care units in the context of changing capacity and Guidelines for the Provision of Intensive Care Services (GPIC's).

The Director of Midwifery has reviewed Midwife to Birth ratios as recommended and found within the Birthrate Plus® tool and endorsed by the Royal College of Midwives. The ratios are reviewed monthly against the recommended mean national ratio of one whole time equivalent (WTE) midwife per 29.5 births, Midwifery staffing continues to be reviewed alongside development of the continuity of carer model and will be presented in a separate report.

As part of the NHS service restoration programme in response to COVID-19, the Trust reconfigured the inpatient wards within the Brunel building to provide dedicated COVID/non-COVID patient pathways and to accommodate the recommencement of the elective care programme. This resulted in 12 inpatient wards changing location and/or the speciality they provide care for. Nursing staff data collections will be repeated in 2021 alongside a review of nurse establishments for all inpatient adult wards following ward and speciality reconfiguration to facilitate service restoration phase of the organisation's pandemic response.

As part of the COVID-19 operational response the Trust implemented a "mega-team" approach to ensure safe and effective staffing levels across the hospital at the height of the pandemic. This involved the rapid training and re-deployment of staff within the hospital, with appropriate supervision and support to ensure sustainable and safe staffing levels in areas such as the Intensive Care Unit and the Emergency Zone. These arrangements were put in place with due regard to national guidance on managing pandemic surge capacity and staffing levels.

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

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 the organisation complies with all its obligations under equality, diversity and human rights legislation.

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 it complies with its obligations under the Climate Change Act and the Adaptation Reporting requirements.

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

The Trust's Transformation Programme is the enabling vehicle of our strategy, ensuring that our services are high-quality, efficient and effective. The newly formed Strategic Delivery Group (SDG) provides Executive oversight and challenge on delivery of the transformation plan, including efficiency programmes, cultural change, continuous improvement and digital projects. The SDG is a sub-committee of the Trust Management Team and has responsibility for ensuring all programmes are underpinned by robust and deliverable plans with clear benefits and a robust method for tracking delivery.

The Board of Directors and its Finance & Performance Committee have 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.

The Trust's Transformation Office also provides oversight and assurance of delivery of annual cost improvement plans delivered across the organisation, reporting progress to the Trust Management Team and the Finance & Performance Committee. In 2020/21 the Trust delivered £2.0m of savings across a number of schemes including non-pay, pay and non-commissioner income. Clinical Divisions held savings targets which they reported against via Divisional Performance Review meetings. Transformation Analyst support was also provided to Clinical Divisions in considering benchmarking data from Model Hospital, GIRFT and other national databases in considering efficient use of resources. The Trust's Perform Academy, our internal improvement resource, was also deployed to support continuous improvement projects, with a view to ensuring quality for our patients through operational and financial efficiency.

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.

Information governance

The Trust has self-reported 11 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 incident of intentional disclosure of personal identifiable information, 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 Trust's 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 structured 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 30 June for external publication. This includes review and scrutiny of the overall contents, selection of quality priorities and overall contents at the Trust's Patient Safety 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.

Historically an annual External Audit of the Quality Account was performed by the Trust's External Auditors, in line with national requirements. For 2019/20, due to the impact of COVID-19, the Department of Health removed this requirement as well as extending the overall timeframe for completing and finalising the Quality Account. The Trust met the requirements well within the extended deadline and preparations for the Quality Account for 2020/21 are in hand, including the agreement of quality priorities for 2021/22. NHS England has issued refreshed guidance stipulating that the external audit of the Quality Account is no longer mandated for any future years, but it is at local discretion to do so, if required. The Trust has elected not to undertake an external audit for 2020/21.

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 qualityforums and to the IM&T Divisional Board, and externally to our commissioners via ourData Quality & Improvement Plan Meeting. Historically our performance has been reported to the Commissioner-led Finance Information Group meetings and upwardlyreported to NBT governance and assurance groups including Finance & Performance Committee, Audit Committee and an Integrated Care Quality & Performance Management Group. Since 2018/19, 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 were no Data Quality Improvement Plans in 2020/21, with the no plans expected in 2021/22. Ad hoc data quality queries are actively tracked and monitored and are reported on monthly to the monthly internal governance structure described above.

Each year since 2019/20, a Data Quality Position Statement is produced for the Finance & Performance Committee, and we have maintained a position of Good in the first two years of reporting.

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 a key service auditor report relating to Shared Business Services (SBS) has reported a qualified opinion in 2020/21, due to an exception in relation to one out of twenty-three control objectives. The specific control objective was "Controls exist to provide reasonable assurance that Sales Ledger transactions processed by NHS SBS are authorised by the appropriate client user on the approved user hierarchy", and the specific exception identified by auditors related to another client and was a credit card request actioned when the client did not have the appropriate approval limit. I am aware that SBS have undertaken an investigation into this exception and are reviewing training and supplementary control options. I am content that overall, the audit of SBS was unqualified for twenty-two out of twenty-three control objectives and appropriate actions appear to be in place for the only exception.

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 Quality & Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review of the effectiveness of the Trust's system of internal control has particularly been informed by the following:

- 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) who provide me with assurance;
- The Board Assurance Framework and Trust Level Risk reports and their regular review via the Board's committees and the Board itself, provides me with evidence of the effectiveness of controls that manage the risks to the organisation achieving its strategic and operational 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 & Performance, People, and QRMC);
- The Board has set a risk appetite for the organisation. Trust level Risks 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) for the period of 1 April 2020 to 31 March 2021 of "significant assurance with minor improvement opportunities" on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Head of Internal Audit also advised me that they provided only partial assurance in respect of their 2020/21 review of the Trust's core financial controls. Following their review they agreed two high priority recommendations with Management relating to: (i) user access controls to the general ledger, where documentation to support the process for new users was not retained and line manager approval could not be evidenced; and (ii) oversight of debt recovery controls by NHS Shared Business Services (SBS - the service provider)". Internal Audit's 2019/20 review of core financial controls also concluded with only partial assurance, again including a high priority recommendation in respect of debt recovery controls. These are significant issues that the Trust recognises it must resolve as a priority, especially given the longevity of the debt recovery control limitations. Core financial controls should be an area of strength for the Trust, and it is recognised that these recommendations are intended to help the Trust achieve this. The Trust has agreed action plans in place to address the recommendations and work is progressing. Management has confirmed that the high priority recommendation in relation to general ledger access controls has been addressed, which we will validate during 2021/22. Management is yet to finalise the debt policy; however, the Trust has secured a material reduction in its year-end receivables balance which was £36.5M at 31 March 2021 compared to £72.6M as at 31 March 2020. Internal Audit will verify progress against these recommendations during 2021/22 when they return to review core financial control as part of the internal audit programme.

The Head of Internal Audit has provided me with additional assurance that the Trust's Assurance Framework reflects the Trust's key objectives and risks and is reviewed by the Executives prior to review at the Board on a quarterly basis.

The Trust Level Risks are reviewed by the Executive as part of Executive Review Meetings with each Clinical Division and by the relevant Board Sub Committee on a bimonthly basis. The Audit Committee reviews whether the Trust's risk management procedures are operating effectively.

Internal Audit issued four 'partial' assurance reports and zero 'no' assurance opinions in respect of their 2020/21 assignments. These partial assurance reports related to Financial Systems, Consultant Job Planning, Medical Equipment Management, and HR Case Management.

This did not prevent them from issuing "significant assurance with minor improvements required" as the organisation has made progress to address the issues identified by the recommendations raised as a result of the Internal Audit work. My review is also informed by External Audit opinion, the 2019 Trust-wide inspection carried out by the CQC which commented positively on the Trust's governance structures and controls, and other external inspections and reviews.

In addition to the above, the processes outlined below are well established and ensure the effectiveness of the systems of internal control and data quality through:

- Board Committees' review of the Trust Level Risks, and divisional/directorate

review of their own specific 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.

Significant Internal Control Issues

In 2019/20 the Trust identified a single significant internal control issue, namely its financial performance. Despite making a small surplus it was felt that the ongoing underlying financial deficit warranted reporting it as an ongoing issue. For 2020/21 the Trust has made a surplus of £465k (0.06% of turnover). In light of this, and the fact that the Trust will start 2021/22 with a cash position of more than £120m, the Trust is not reporting its financial position as a significant internal control issue.

However, I do note that despite recording surpluses in the last two years, the Trust remains cumulatively in deficit over the five-year period ending 31 March 2021. As a result, in accordance with their statutory responsibility, the Trust's external auditors have made a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014. This approach is consistent with previous years. Under the financial regime for 2020/21 and 2021/22 to date, Trusts are being managed against a break even requirement in-year and so it is unlikely that the Trust will be able to meet this statutory requirement until a financial regime that allows significant Trust surpluses to be generated exists.

Considering the guidance provided by NHS Improvement on determining significant internal control issues, I have outlined below the issues which the Trust considers to be significant internal control issues in 2020/21.

Significant Overpayment:

During the year a payment was made to multiple staff members without following correct processes and without appropriate Board oversight, resulting in a significant overpayment. I consider this overpayment to be a significant internal control issue. Following this event, the overpayments were communicated to impacted staff and an independent review was carried out. Plans have been put in place torecover the overpayments. A revised set of controls was also put in place to prevent a recurrence. These revised controls will be tested via internal audit in the coming year.

COVID-19 patient discharge incident:

In October 2020 a patient was discharged from the Trust to a residential care-home when the results of the patient's most recent COVID-19 test were unknown. There was subsequently a COVID-19 outbreak at the care-home. This event was declared as a

Serious Incident as per the Serious Incident Framework 2015 and a full investigation carried out. The outcome was reported to the Trust's Quality & Risk Management Committee together with the safety recommendations and associated improvement actions.

Never Events

There has been one Never Event in 2020/21, which was identified in January 2021. This event involved the use of the wrong implant in a neurosurgical procedure. The Never Event was investigated and reported to the Trust's Patient Safety Committee together with the safety recommendations and associated improvement actions.

Conclusion

Taking into account all the items considered in this Annual Governance Statement and my review of effectiveness, and with due acknowledgement to the significant internal control issues I have listed above, my review confirms that overall the Trust has a sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed

Chief Executive

Date: 28 June 2021

Remuneration Report

Salary and Pensions entitlements of senior managers 2020/21

Remuneration of senior managers

Name and title	2020-21						2019-20					
	(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												
Michele Romaine - Chair	40 - 45	2,300				40 - 45	40 - 45	5,800	-	-	-	45 - 50
John Everitt - Non-Executive Director	10 - 15	100				10 - 15	5 - 10	300	-	-	-	5 - 10
Kelvin Blake - Non-Executive Director	10 - 15	0				10 - 15	5 - 10	-	-	-	-	5 - 10
Robert Mould - Non-Executive Director	0 - 5	0				0 - 5	5 - 10	300	-	-	-	5 - 10
Jaki Davis - Non-Executive Director-left 30/09/2020	5 - 10	0				5 - 10	5 - 10	200	-	-	-	5 - 10
John Iredale- Non-Executive Director	10 - 15	0				10 - 15	5 - 10	-	-	-	-	5 - 10
Tim Gregory - Non-Executive Director	10 - 15	0				10 - 15	5 - 10	100	-	-	-	5 - 10
Kelly Macfarlane - Non-Executive Director -from 01/04/2020	10 - 15	0	-	-	-	10 - 15	-	-	-	-	-	-
Richard Gaunt- Associate Non-Executive Director- joined from 1 April 2020	10 - 15	0	-	-	-	10 - 15	-	-	-	-	-	-
Ade Williams- Associate Non-Executive Director, joined from 1 April 2020, non-voting)	5 - 10	0	-	-	-	5 - 10	-	-	-	-	-	-
LaToyah McAllister-Jones- Associate Non-Executive Director- joined from 1 September 2020	0 - 5	0	-	-	-	0 - 5	-	-	-	-	-	-

Executive Directors												
Andrea Young - Chief Executive - end 11/12/2020	95 - 100	-	-	-	0 - 0	**95 - 100**	190 - 195	-	-	-	0 - 0	190 - 195
Catherine Phillips - Director of Finance-left 28/02/2021	145 - 150	0	-	-	112.5 - 115	**255 - 260**	145 - 150	100	-	-	45 - 47.5	190 - 195
Chris Burton - Medical Director, Deputy Chief Executive from 12/12/2020	195 - 200	-	-	-	105 - 107.5	**300 - 305**	170 - 175	-	-	-	22.5 - 25	195 - 200
Evelyn Barker - Deputy Chief Executive from 01/01/19, Interim Chief Executive from 12/12/2020	180 - 185	18,000	-	-	0 - 0	**195 - 200**	165 - 170	16,700	-	-	0 - 0	180 - 185
Helen Blanchard - Director of Nursing and Quality	140 - 145		-	-	85 - 87.5	**230 - 235**	130 - 135	3,300	-	-	30 - 32.5	165 - 170
Karen Brown - Chief Operating Officer- Start from 15/11/2020	55 - 60					**55 - 60**						
Glyn Howells-Chief Finance Officer - Start from 01/03/2021	10 - 15	700	-	-	35 - 37.5	**45 - 50**						
Corporate Directors												
Neil Darvill - Director of Informatics	135 - 140	-	-	-	107.5 -110.0	**245 - 250**	125 - 130	-	-	-	65 - 67.5	190 - 195
Simon Wood - Director of Estates, Facilities & Capital Planning	120 - 125	100	-	-	75 - 77.5	**200 - 205**	115 - 120	100	-	-	17.5 - 20	135 - 140
Jacqueline Marshall-Dibble, Director of People and Transformation	155 - 160	-	15 - 20	-	35 - 37.5	**205 - 210**	145 - 150	-	10 - 15	-	32.5 - 35	195 - 200

Salary

The following Director's salaries are based upon the commencement dates showing below:

Glyn Howells commenced employment with the Trust as Chief Finance Officer, replacing Catherine Phillips on 1 March 2021.

Evelyn Barker was covering Andrea Young as Chief Executive from 11 Dec 2020,

Karen Brown commenced contract as Chief Operating Officer from 15 November 2020.

Kelly Macfarlane joined from 1 April 2020 as non-Executive Director.

Jaki Davis was in post until 30 September 2020 as non-Executive Director.

Richard Gaunt joined from 1 April 2020 as Associate Non-Executive Director, non-voting and as a voting Non-Executive from 1 October 2020.

Ade Williams joined from 1 April 2020 as an Associate Non-Executive Director, non-voting.

LaToyah McAllister-Jones joined from 1 September 2020 as an Associate Non-Executive Director.

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 (2020/21: £2,268), Interim Chief Executive, Evelyn Barker (2020/21: £18,000) and Chief Finance Officer, Glyn Howells (2020/21: £667) received in-year living allowance payments. In 2019/20 the Trust ChairMichele Romaine received £5,800, the Chief Operating Officer Evelyn Barker received £16,700 and the Director of Nursing and Quality Helen Blanchard received £3,300 for in-year living allowances. This reflects the short and fixed nature of the contracts or where posts are difficult to fill requiring additional expenses associated with living away from home during the week.

Performance Pay and Bonuses

In 2020/21, the Director of People and Transformation (Jacqueline Marshall-Dibble) received a performance-related bonus contribution of £17,499, 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.

The performance related bonus was agreed by NHS Improvement and the Trust's Remuneration and Nominations Committee for this specific post. The role was difficult to recruit to and is 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 guidance issued by NHSE/I in order that directors' pay remains both competitive and provides value for money.

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

Pay Multiples

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

The banded remuneration of the highest paid director in the organisation in the financial year 2020/21 was £195k-£200k (2019/20: £190k-£195k). This was 6.2 times (2019/20 5.9 times) the median remuneration of the workforce, which was £31,671 (2019/20 £30,112).

In 2020/21 five employees (2019/20 two employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £18,005 to £219,170 (2019/20: £17,652 to £189,351).

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

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 2021	Lump sum at pension age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 1 April 2020	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	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	0 - 2.5	70 - 75	230 - 235	0	0	0	0
Catherine Phillips - Director of Finance	5.0 - 7.5	7.5 - 10.0	65 - 70	145 - 150	1,076	121	1,227	0
Glyn Howells - Director of Finance	0 – 2.5	0	15 - 20	0	193	2	238	0
Chris Burton - Medical Director	5.0 - 7.5	15.0 - 17.5	70 - 75	215 - 220	1,560	149	1,763	0
Helen Blanchard - Director of Nursing and Quality	2.5 - 5.0	12.5 - 15.0	50 - 55	160 - 165	1,148	120	1,309	0
Corporate Directors								
Neil Darvill - Director of Informatics	5.0 - 7.5	(2.5) - 0.0	50 - 55	135 - 140	1,045	94	1,176	0
Simon Wood - Director of Estates, Facilities & Capital Planning	2.5 - 5.0	10.0 - 12.5	60 - 65	185 - 190	1,431	0	0	0
Jacqueline Marshall-Dibble	2.5 - 5.0	0	5 - 10	0	41	23	86	0

Note: *There are no Cash Equivalent Transfer Value (CETV) figures as at 31 March 2021 for the Chief Executive or Director of Estates, Facilities & Capital Planning as they are over the normal retirement age and therefore the CETV calculation is not applicable.*

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: *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 2020/21 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

Staff Numbers

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

	2020/21			2019/20
	Total	Permanently employed	Other	Total
	Number	Number	Number	Number
Average Staff Numbers				
Medical and dental	1,081	1,017	64	1,021
Administration and estates	1,958	1,759	199	1,745
Healthcare assistants and other support staff	1,654	1,463	191	1,677
Nursing, midwifery and health visiting staff	2,582	2,349	233	2,493
Scientific, therapeutic and technical staff	886	866	20	840
Healthcare Science Staff	652	650	2	646
Total	**8,813**	**8,104**	**709**	**8,422**
Of the above - staff engaged on capital projects	42	34	8	18

Staff Composition

			2020/21				**2019/20**	
		Male	Female	**Total**		Male	Female	**Total**
Board members		11	10	21		8	8	16
Other staff		2,282	6,510	8,792		2,199	6,207	8,406
Total		**2,293**	**6,520**	**8,813**		**2,207**	**6,215**	**8,422**
Total %		**26%**	**74%**			**26%**	**74%**	

Staff Costs

The table below shows staff costs:

		Group		
	2020/21	**2020/21**	**2020/21**	**2019/20**
Staff Costs	**Permanent**	**Other**	**Total**	**Total**
	£000s	**£000s**	**£000s**	**£000s**
Salaries and wages	345,428	0	345,428	307,114
Social security costs	33,142	0	33,142	29,866
Apprenticeship levy	1,624	0	1,624	1,476
Pension cost - Employer's contributions to NHS pension scheme	57,708	0	57,708	52,125
Termination benefits	479	0	479	974
Temporary staff - agency/contract staff	0	9,907	9,907	12,805
Total gross staff costs	**438,381**	**9,907**	**448,288**	**404,360**
Of which				
Costs capitalised as part of assets	1,871	842	**2,713**	974

Exit Packages

Reporting of compensation schemes – exit packages 2020/21

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	3	19,622	16	47,875	19	67,497	0	0
£10,000 - £25,000	4	68,736	1	11,604	5	80,340	0	0
£25,001 - £50,000	4	136,875	0	0	4	136,875	0	0
£50,001 - £100,000	3	194,659	0	0	3	194,659	0	0
£100,001 - £150,000	0	0	0	0	0	0	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	**14**	**419,892**	**17**	**59,479**	**31**	**479,371**	**0**	**0**

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

Reporting of compensation schemes – exit packages 2019/20 (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	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**

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 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

	2020/21		2019/20	
	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	17	59	45	253
Exit payments following Employment Tribunals or court orders				
Non-contractual payments requiring HMT approval				
Total	**17**	**59**	**45**	**253**
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

	2020/21	2019/20
Total Days Lost	81,726	76,408
Total FTE Staff Years	8,070	7,614
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 9. The policy note for pensions is presented under note 1.9 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 2021

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	37
Staff who are Union representatives (H&S only)	10
Staff who are Union representatives with regular paid facility time	7
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
54	7348.6

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%	51
51 – 99%	2
100%	1

Percentage of pay bill spent on facility time
*What is the percentage of pay bill spent on facility time?**
0.046%

*calculation based on central pay budget allocated for facility time

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, which are 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 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 £2,223,000 (2019/20 £339,000) during the year of which £1.54m relates to Nightingale hospital.

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 2021 and what action has been taken in regard to their tax status since that date.

As per IR35 legislation, the responsibility for applying these rules 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 2021, for more than £245 per day

	2020/21 Number
Number of existing engagements as of 31 March 20121	8
Of which, the number that have existed	
for less than one year at the time of reporting	4
for between one and two years at the time of reporting	3
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	1
for 4 or more years at the time of reporting	0

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

	2020/21 Number
Number of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021	24
Of which	
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	24
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0

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

	2020/21 Number
Number of off-payroll engagements of Board members, and / or senior officers with significant financial responsibility, during the financial year	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.	21

North Bristol NHS Trust

Annual accounts for the year ended 31 March 2021

Contents

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

28 June 2021

Date.....

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:

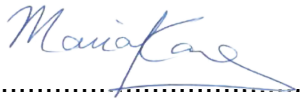
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and 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

28 June 2021 .....Date.....  .....Chief Executive

28 June 2021 .....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 on financial statements

We have audited the financial statements of North Bristol NHS Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

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 2021 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; 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 in March 2020, the Trust did not count all its physical inventories at 31 March 2020, and we were not able to observe the counting of the physical inventories at this date or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the group and Trust Statements of Financial Position of £13.070 million. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary any adjustment to this amount at 31 March 2020 was necessary, or whether there was any consequential effect on the drug costs and supplies and services for the year ended 31 March 2021.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

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 satisfy ourselves concerning the group and Trust inventory quantities of £13.070 million held as 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 2020 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, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and

- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, 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 25 June 2021 we referred a matter to the Secretary of State under section 30 (b) of the Local Audit and Accountability Act 2014 in relation to North Bristol NHS Trust's ongoing breach of its break-even duty for the five year period ending 31 March 2021.

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

As explained in the Statement of directors' responsibilities in respect of the accounts, 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 services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the group and 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to the following transactions of the Trust:
    - journal entries posted by senior officers; and
    - the significant accounting estimates in the financial statements, including those related to the valuation of property, plant and equipment and the year-end accruals.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on large and unusual journals;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations and significant accruals**;**
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, included the ongoing breach of the Trust's breakeven duty, potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations and accruals.

- Assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team and component auditors included consideration of the engagement team's and component auditor's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS Improvement's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements. No such matters were identified by the component auditors.

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

Under the Code of Audit Practice, we are required to report to you if, 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 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust , the Chief Executive, as 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(3)(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. 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 undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for North Bristol NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Trust for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.

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

Alex Walling, Key Audit Partner

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

Bristol

29 June 2021

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

In our auditor's report issued on 29 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 29 June 2021 we reported that, 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 2021 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The basis for the qualified opinion section of our opinion was as follows:

Due to the national lockdown arising from the Covid-19 pandemic in March 2020, the Trust did not count all its physical inventories at 31 March 2020, and we were not able to observe the counting of the physical inventories at this date or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the group and Trust Statements of Financial Position of £13.070 million. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary any adjustment to this amount at 31 March 2020 was necessary, or whether there was any consequential effect on the drug costs and supplies and services for the year ended 31 March 2021.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

Under the Code of Audit Practice, we are required to report to you if, 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 2021.

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

Responsibilities of the Accountable Officer

The Chief Executive, as 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(3)(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. 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 issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of North Bristol NHS Trust for the year ended 31 March 2021 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

Alex Walling, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

9 September 2021

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	623,186	551,879	623,186	551,879
Other operating income	4	151,723	118,363	150,098	115,800
Operating expenses	6	(734,310)	(634,480)	(732,576)	(632,512)
Operating surplus/(deficit) from continuing operations		**40,599**	**35,762**	**40,708**	**35,167**
Finance income	11	208	421	5	179
Finance expenses	12	(35,068)	(39,533)	(35,068)	(39,533)
PDC dividends payable		(3,171)	-	(3,171)	-
Net finance costs		**(38,031)**	**(39,112)**	**(38,234)**	**(39,354)**
Other gains / (losses)	13	1,905	(233)	531	365
Surplus / (deficit) for the year from continuing operations		**4,473**	**(3,583)**	**3,005**	**(3,822)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Revaluations	17	14,096	5,797	14,096	5,797
Other reserve movements		-	-	-	-
Total comprehensive income / (expense) for the period		**18,569**	**2,214**	**17,101**	**1,975**

Statements of Financial Position

	Note	Group 31 March 2021 £000	Group 31 March 2020 £000	Trust 31 March 2021 £000	Trust 31 March 2020 £000
Non-current assets					
Intangible assets	14	14,749	11,976	14,749	11,976
Property, plant and equipment	15	579,293	560,021	579,293	560,021
Other investments / financial assets	18	10,198	8,092	-	-
Receivables	21	1,728	4,000	1,728	4,000
Total non-current assets		**605,968**	**584,089**	**595,770**	**575,997**
Current assets					
Inventories	20	8,538	13,070	8,538	13,070
Receivables	21	36,504	72,842	36,460	72,628
Cash and cash equivalents	22	123,467	13,282	121,458	10,746
Total current assets		**168,509**	**99,194**	**166,456**	**96,444**
Current liabilities					
Trade and other payables	23	(117,630)	(64,431)	(117,484)	(64,226)
Borrowings	25	(15,079)	(189,076)	(15,079)	(189,076)
Provisions	27	(8,157)	(4,398)	(8,157)	(4,398)
Other liabilities	24	(8,467)	(3,710)	(8,467)	(3,710)
Total current liabilities		**(149,333)**	**(261,615)**	**(149,187)**	**(261,410)**
Total assets less current liabilities		**625,144**	**421,668**	**613,039**	**411,031**
Non-current liabilities					
Trade and other payables	23	-	(18)	-	(18)
Borrowings	25	(372,573)	(388,504)	(372,573)	(388,504)
Provisions	27	(2,222)	(674)	(2,222)	(674)
Other liabilities	24	(5,611)	(6,512)	(5,611)	(6,512)
Total non-current liabilities		**(380,406)**	**(395,708)**	**(380,406)**	**(395,708)**
Total assets employed		**244,738**	**25,960**	**232,633**	**15,323**
Financed by					
Public dividend capital		448,722	248,513	448,722	248,513
Revaluation reserve		162,022	149,139	162,022	149,139
Income and expenditure reserve		(378,111)	(382,329)	(378,111)	(382,329)
Charitable fund reserves	19	12,105	10,637	-	-
Total taxpayers' equity		**244,738**	**25,960**	**232,633**	**15,323**

The notes on pages 4 to 54 form part of these accounts.

Name  **Maria Kane**

Position **Chief Executive**

Date **28 June 2021**

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

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 2020 - brought forward	**248,513**	**149,139**	**(382,329)**	**10,637**	**25,960**
Surplus for the year	-	-	1,947	2,526	**4,473**
Other transfers between reserves	-	(1,213)	1,213	-	**-**
Revaluations	-	14,096	-	-	**14,096**
Public dividend capital received	200,209	-	-	-	**200,209**
Other reserve movements	-	-	1,058	(1,058)	**-**
Taxpayers' and others' equity at 31 March 2021	**448,722**	**162,022**	**(378,111)**	**12,105**	**244,738**

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**
Other reserve movements	-	-	621	(621)	**-**
Taxpayers' and others' equity at 31 March 2020	**248,513**	**149,139**	**(382,329)**	**10,637**	**25,960**

Statement of Changes in Equity for the year ended 31 March 2021

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**248,513**	**149,139**	**(382,329)**	**15,323**
Surplus for the year			3,005	**3,005**
Transfers between reserves		(1,213)	1,213	**-**
Impairments				**-**
Revaluations	-	14,096	-	**14,096**
Public dividend capital received	200,209	-	-	**200,209**
Taxpayers' and others' equity at 31 March 2021	**448,722**	**162,022**	**(378,111)**	**232,633**

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**

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	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		40,599	35,762	40,708	35,167
Non-cash income and expense:					
Depreciation and amortisation	6.1	29,437	26,235	29,437	26,235
Net impairments	7	3,100	4,094	3,100	4,094
Income recognised in respect of capital donations	4	(1,565)	-	(2,050)	(231)
Amortisation of PFI deferred credit		(77)	(77)	(77)	(77)
(Increase) / decrease in receivables and other assets		34,532	(445)	34,469	(379)
(Increase) / decrease in inventories		4,532	(242)	4,532	(242)
Increase / (decrease) in payables and other liabilities		56,980	(5,148)	56,980	(5,148)
Increase in provisions		5,301	1,718	5,301	1,718
Movements in charitable fund working capital		48	(736)	-	-
Net cash flows from operating activities		**172,887**	**61,161**	**172,400**	**61,137**
Cash flows from investing activities					
Interest received		5	179	5	179
Purchase of intangible assets		(8,504)	(90)	(8,504)	(90)
Purchase of PPE		(26,331)	(20,880)	(26,331)	(20,880)
Sales of PPE		4,130	5,370	4,130	5,370
Receipt of cash donations to purchase assets		15	-	500	231
Net cash flows from charitable fund investing activities		(732)	398	-	-
Net cash flows from / (used in) investing activities		**(31,417)**	**(15,023)**	**(30,200)**	**(15,190)**
Cash flows from financing activities					
Public dividend capital received		200,209	4,601	200,209	4,601
Movement on loans from DHSC		(178,461)	193	(178,461)	193
Capital element of finance lease rental payments		(2,720)	(2,427)	(2,720)	(2,427)
Capital element of PFI payments		(9,059)	(8,075)	(9,059)	(8,075)
Interest on loans		(568)	(5,238)	(568)	(5,238)
Other interest		-	-	-	-
Interest paid on finance lease liabilities		(261)	(254)	(261)	(254)
Interest paid on PFI liability		(37,603)	(34,233)	(37,603)	(34,233)
PDC dividend (paid)		(3,025)	-	(3,025)	-
Net cash flows from charitable fund financing activities		203	242	-	-
Net cash flows from / (used in) financing activities		**(31,285)**	**(45,191)**	**(31,488)**	**(45,433)**
Increase in cash and cash equivalents		**110,185**	**947**	**110,712**	**514**
Cash and cash equivalents at 1 April		**13,282**	**12,335**	**10,747**	**10,233**
Cash and cash equivalents at 31 March	22.1	**123,467**	**13,282**	**121,459**	**10,747**

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 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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. The Trust considers that there is no risk to the continuation of services and, as a result, these accounts have been prepared on a going concern basis.

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. This is referred to in note 1.11 of the accounting policy. The PFI assets are valued at £375,776k as at 31st March 2021, as per note 15.3.

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 £75m. This is referred to in note 1.11 of the accounting policy.

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 1.11 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 including BCIS (all price) Tender Price Index (TPI) and the BCIS Location Factor, as detailed in note 17. Based on sensitivity analysis for these factors, the value could vary to a range of £22m.

Note 1.6 Consolidation

NHS Charitable Funds

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 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 accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Integrated Care System/Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration. Where service obligations were not met income has either been returned or deferred into future years.

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time."

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled 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 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 and our records support.

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.

Further details on the pension scheme are at Note 9.

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 the collective value of items is significant, the group may be capitalised even where the individual value of some component items falls below £250.

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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 i.e.: □

- 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.

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI)

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

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

The 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	5	18
Transport equipment	5	7
Information technology	5	15
Furniture & fittings	5	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, e.g., 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, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset."

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value 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

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**
Information technology	5	8
Software licences	4	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.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department and provided to the Trust.

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, i.e., when receipt or delivery of the goods or services is made.

Classification and measurement

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

Financial assets are classified as subsequently measured at amortised cost, fair value through 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 income or expenditure.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan. During 2020/21 all of the Trust's loans to DHSC were repaid and replaced with PDC financing.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through income and expenditure 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.

North Bristol Trust NHS Charitable Fund 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 2021:

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

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.

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care notably the trust's average cash balance.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

Note 1.20 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 Third party assets

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

Note 1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	38,939
Additional lease obligations recognised for existing operating leases	(38,939)
Net impact on net assets on 1 April 2022	**-**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(8,032)
Additional finance costs on lease liabilities	(448)
Lease rentals no longer charged to operating expenditure	8,281
Estimated impact on surplus / deficit in 2022/23	**(199)**
Estimated increase in capital additions for new leases commencing in 2022/23	**5,666**

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. The PFI imputed lease liability will be remeasured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

Other standards, amendments and interpretations in issue but not yet in use

IFRS 16 Leases - The Standard is effective 1 April 2021 as adapted and interpreted by the FReM.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 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:

	2020/21 £000s	2019/20 £000s
Income	1,625	2,562
Expenditure	1,734	1,967
Net assets	12,105	10,637

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

Note 3.1 Income from patient care activities (by nature)	**2020/21 £000**	**2019/20 £000**
Acute services		(restated)
Block contract / system envelope income*	566,740	477,187
High cost drugs income from commissioners (excluding pass-through costs)	6,245	43,965
Other NHS clinical income	22,616	5,979
All services		
Private patient income	3,068	1,863
Additional pension contribution central funding**	17,508	15,828
Other clinical income	7,009	7,057
Total income from activities	**623,186**	**551,879**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2020/21 £000**	**2019/20 £000**
NHS England	239,708	197,113
Clinical commissioning groups	373,490	343,580
Department of Health and Social Care	-	412
Non-NHS: private patients	1,533	1,863
Non-NHS: overseas patients (chargeable to patient)	1,535	2,507
Injury cost recovery scheme	2,994	2,307
Non NHS: other	3,926	4,097
Total income from activities	**623,186**	**551,879**

All of the above related to continuing operations.

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

	Trust and Group	
	2020/21	2019/20
	£000	£000
Income recognised this year	1,535	2,507
Cash payments received in-year	407	228
Amounts added to provision for impairment of receivables	1,342	1,118
Amounts written off in-year	919	-

Note 4 Other operating income (Group)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Research and development	8,575	10,574	8,575	10,574
Education and training	20,737	20,025	20,737	20,025
Non-patient care services to other bodies	7,654	20,400	7,654	20,400
Provider sustainability fund (2019/20 only)	-	10,360	-	10,360
Financial recovery fund (2019/20 only)	-	21,040	-	21,040
Marginal rate emergency tariff funding (2019/20 only)	-	541	-	541
Reimbursement and top up funding	76,950	-	76,950	-
Other income	12,455	22,804	12,455	22,804
Income in respect of employee benefits accounted on a gross basis	5,693	6,412	5,693	6,412
Education and training - notional income from apprenticeship fund	1,047	-	1,047	-
Receipt of capital grants and donations *	1,565	-	2,050	231
Charitable and other contributions to expenditure **	11,168	18	11,741	408
Rental revenue from operating leases	3,119	2,928	3,119	2,928
Amortisation of PFI deferred income / credits	77	77	77	77
Charitable fund incoming resources	2,683	3,184	-	-
Total other operating income	**151,723**	**118,363**	**150,098**	**115,800**

All of the above related to continuing operations.

* includes donated equipment from group bodies for COVID response

** includes donated inventories and equipment below capitalisation threshold for COVID response

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

	Trust and Group	
	2020/21	2019/20
	£000	£000
liabilities at the previous period end	291	291

Note 6.1 Operating expenses

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	830	2,767	830	2,767
Staff and executive directors costs	445,575	403,386	445,575	403,386
Remuneration of non-executive directors	138	97	138	97
Supplies and services - clinical (excluding drugs costs) *	74,609	67,045	74,609	67,045
Supplies and services - general **	24,199	9,859	24,199	9,859
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	48,981	46,048	48,981	46,048
Consultancy costs	2,223	339	2,223	339
Establishment	4,760	5,766	4,760	5,766
Premises	48,067	26,611	48,067	26,611
Transport (including patient travel)	2,066	1,045	2,066	1,045
Depreciation on property, plant and equipment	23,618	23,639	23,618	23,639
Amortisation on intangible assets	5,819	2,596	5,819	2,596
Net impairments	3,100	4,094	3,100	4,094
Movement in credit loss allowance: contract receivables / contract assets	2,164	2,028	2,164	2,028
Increase/(decrease) in other provisions	5,246	728	5,246	728
Change in provisions discount rate(s)	(9)	(6)	(9)	(6)
Audit fees payable to the external auditor				
audit services- statutory audit	80	72	80	68
other auditor remuneration (external auditor only)	-	8	-	8
Internal audit costs	138	184	138	184
Clinical negligence	17,655	15,175	17,655	15,175
Legal fees	638	410	638	410
Insurance	505	421	505	421
Research and development	3,245	3,857	3,245	3,857
Education and training	2,786	1,578	2,786	1,578
Rentals under operating leases	8,093	7,311	8,093	7,311
Charges to operating expenditure for on-SoFP IFRIC 12 PFI	6,332	6,116	6,332	6,116
Charges to operating expenditure for off-SoFP PFI schemes	165	166	165	166
Hospitality	10	-	10	-
Other NHS charitable fund resources expended	1,734	1,964	-	-
Other	1,543	1,176	1,543	1,176
Total	**734,310**	**634,480**	**732,576**	**632,512**

All of the above related to continuing operations.

* includes utilisation of donated consumables (personal protective equipment)

** includes the cost of donated equipment for COVID response below the capitalisation threshold

Note 6.2 Nightingale facility

On 30 March 2020 North Bristol NHS Trust was identified as the host organisation for the NHS Nightingale Hospital Bristol (NHB), accountable to NHS England for the setting up and operation of the new unit to provide additional ICU bed capacity for the Severn Network area of the West of England. The new NHB unit became available for use on 27th April 2021 and had a maximum bed occupancy of 300.

The license for the Nightingale Hospital building is held between NHSE&I and the University of the West of England. The value of the license is nominal. No license payments pass through the accounts of North Bristol NHS Trust.

The costs incurred by the Trust in operating the facility have been included within the operating expenses note in these accounts. The total costs associated with the facility are disclosed below for information; this includes where existing resources were redeployed so the note below does not represent the additional cost to the Trust of operating the facility. Incremental costs associated with operating the facility have been reimbursed by NHS England.

	Trust and Group Gross costs 2020/21 £000
Set up costs:	
Staff costs	84
Other operating costs	15,205
Running costs:	
Staff costs	502
Other operating costs	10,236
Decommissioning costs:	
Staff costs	-
Other operating costs	4,100
Total gross costs	**30,127**

Note 6.3 Other auditor remuneration

	Trust and Group	
	2020/21 £000	2019/20 £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
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**

Note 6.4 Limitation on auditor's liability (Trust and Group)

The limitation on auditor's liability for external audit work is £2 million (2019/20: £2 million).

Note 7 Impairment of assets

	Trust and Group	
	2020/21 £000	2019/20 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	1,851	-
Over specification of assets	943	-
Abandonment of assets in course of construction	275	-
Other	31	4,094
Total net impairments charged to operating surplus / deficit	**3,100**	**4,094**

Note 8 Employee benefits

	Trust and Group	
	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	345,428	307,114
Social security costs	33,142	29,866
Apprenticeship levy	1,624	1,476
Employer's contributions to NHS pensions	57,708	52,125
Termination benefits	479	974
Temporary staff (including agency)	9,907	12,805
Total gross staff costs	**448,288**	**404,360**
Of which		
Costs capitalised as part of assets	2,713	974

Note 8.1 Retirements due to ill-health (Group)

During 2020/21 there were 7 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £233k (£135k in 2019/20).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Note 10 Operating leases (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	
	2020/21	2019/20
	£000	£000
Operating lease revenue		
Minimum lease receipts	3,119	2,928
Total	**3,119**	**2,928**

	Trust and Group	
	31 March 2021	31 March 2020
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	2,191	795
- later than one year and not later than five years;	7,542	2,252
- later than five years.	21,348	11,787
Total	**31,081**	**14,834**

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	
	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	8,093	7,311
Total	**8,093**	**7,311**

	Trust and Group	
	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	3,995	2,337
- later than one year and not later than five years;	5,777	5,509
- later than five years.	6,942	9,313
Total	**16,714**	**17,158**

Note 11 Finance income

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

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Interest on bank accounts	5	179	5	179
NHS charitable fund investment income	203	242	-	-
Total finance income	**208**	**421**	**5**	**179**

Note 12 Finance expenditure

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

	Trust and Group	
	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	5,064
Finance leases	261	254
Main finance costs on PFI and LIFT schemes obligations	24,013	24,510
obligations	10,788	9,701
Total interest expense	**35,062**	**39,529**
Unwinding of discount on provisions	6	4
Total finance costs	**35,068**	**39,533**

DHSC loans were repaid and transferred to Public Dividend Capital during 2020/21 as part of a national initiative. As a result no interest was payable during 2020/21.

Note 13 Other gains / (losses)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Gains on disposal of assets	531	602	531	602
Losses on disposal of assets	-	(237)	-	(237)
Total gains / (losses) on disposal of assets	**531**	**365**	**531**	**365**
Fair value gains / (losses) on charitable fund investments	1,374	(598)	-	-
Total other gains / (losses)	**1,905**	**(233)**	**531**	**365**

Note 14.1 Intangible assets - 2020/21

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 2020 - brought forward	**24,819**	**90**	**301**	**1,669**	**26,879**
Additions	1,462	-	580	6,462	**8,504**
Revaluations	253	-	-	-	**253**
Reclassifications	-	24	1,744	(1,680)	**88**
Gross cost at 31 March 2021	**26,534**	**114**	**2,625**	**6,451**	**35,724**
Amortisation at 1 April 2020 - brought forward	**14,781**	**23**	**99**	**-**	**14,903**
Provided during the year	5,434	21	364	-	**5,819**
Revaluations	253	-	-	-	**253**
Amortisation at 31 March 2021	**20,468**	**44**	**463**	**-**	**20,975**
Net book value at 31 March 2021	**6,066**	**70**	**2,162**	**6,451**	**14,749**
Net book value at 1 April 2020	**10,038**	**67**	**202**	**1,669**	**11,976**

The £88k reclassification showing as Intangible Assets is offset in note 15.1 Property, Plant and Equipment.

Note 14.2 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
Gross cost at 1 April 2019	**25,675**	**77**	**439**	**2,237**	**28,428**
Additions	90	-	-	-	**90**
Reclassifications	(946)	13	(138)	(568)	**(1,639)**
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**

Note 15.1 Property, plant and equipment - 2020/21

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 2020 - brought forward	**33,627**	**475,599**	**165**	**1,529**	**74,939**	**634**	**30,286**	**7,680**	**624,459**
Additions	-	6,138	-	6,536	13,178	23	5,877	230	**31,982**
Impairments	-	(5,568)	-	(275)	-	-	-	-	**(5,843)**
Reversals of impairments	-	2,743	-	-	-	-	-	-	**2,743**
Revaluations	100	2,028	-	-	-	-	-	-	**2,128**
Reclassifications	-	223	-	(373)	(6)	-	192	(124)	**(88)**
Disposals / derecognition	-	-	-	-	(4,837)	(150)	(10,551)	(87)	**(15,625)**
Valuation / gross cost at 31 March 2021	**33,727**	**481,163**	**165**	**7,417**	**83,274**	**507**	**25,804**	**7,699**	**639,756**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**44,075**	**400**	**15,590**	**4,373**	**64,438**
Provided during the year	-	11,943	8	-	6,752	58	4,202	655	**23,618**
Revaluations	-	(11,960)	(8)	-	-	-	-	-	**(11,968)**
Reclassifications	-	17	-	-	-	-	-	(17)	**-**
Disposals / derecognition	-	-	-	-	(4,837)	(150)	(10,551)	(87)	**(15,625)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**45,990**	**308**	**9,241**	**4,924**	**60,463**
Net book value at 31 March 2021	**33,727**	**481,163**	**165**	**7,417**	**37,284**	**199**	**16,563**	**2,775**	**579,293**
Net book value at 1 April 2020	**33,627**	**475,599**	**165**	**1,529**	**30,864**	**234**	**14,696**	**3,307**	**560,021**

Note 15.2 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)**
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	**-**	**-**	**-**	**-**	**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**
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**

Note 15.3 Property, plant and equipment financing - 2020/21

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 2021									
Owned - purchased	33,727	105,387	165	7,386	33,772	127	11,695	2,762	**195,021**
Finance leased	-	-	-	-	-	-	4,832	-	**4,832**
On-SoFP PFI contracts and other service concession arrangements	-	375,776	-	-	-	-	-	-	**375,776**
Owned - donated/granted	-	-	-	31	3,512	72	36	13	**3,664**
NBV total at 31 March 2021	**33,727**	**481,163**	**165**	**7,417**	**37,284**	**199**	**16,563**	**2,775**	**579,293**

Note 15.4 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 - donated/granted	-	3,461	-	-	2,478	93	45	23	**6,100**
NBV total at 31 March 2020	**33,627**	**475,599**	**165**	**1,529**	**30,864**	**234**	**14,696**	**3,307**	**560,021**

Note 16 Donations of property, plant and equipment (Trust)

In 2020/21 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.

2020/21	Donated from North Bristol NHS Trust Charitable Fund	Donated from DHSC	Grant funded asset additions	**Total**
	£000s	£000s	£000s	**£000s**
Buildings	167	0	0	**167**
Plant & machinery	302	1,550	15	**1,867**
Information technology	16	0	0	**16**
Total	**485**	**1,550**	**15**	**2,050**

Note 17 Revaluations of property, plant and equipment (Trust and Group)

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 2021. These were previously valued as at 31 March 2020. 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.

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 upward valuations of £14,096k and net impairments of £3,100k within Property, Plant & Equipment.

The overall increase in valuations is a result of the BCIS (all price) Tender Price Index (TPI) decreasing to 328 compared with 331 in the prior year, along with the BCIS Location Factor increasing to 1.03 compared with 1.02 in the prior year.

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

	Trust and Group	
	2020/21	2019/20
	£000	£000
Carrying value at 1 April	**8,092**	**9,088**
Acquisitions in year	1,233	1,379
Movement in fair value through income and expenditure	1,374	(598)
Disposals	(501)	(1,777)
Carrying value at 31 March	**10,198**	**8,092**

Note 19 Analysis of charitable fund reserves

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

	31 March 2021	31 March 2020
	£000	£000
Unrestricted funds:		
Unrestricted income funds	11,074	9,672
Restricted funds:		
Endowment funds	31	31
Other restricted income funds	1,000	934
	12,105	**10,637**

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 2021	31 March 2020
	£000	£000
Drugs	2,563	2,980
Consumables	5,975	9,970
Energy	-	120
Total inventories	**8,538**	**13,070**

Inventories recognised in expenses for the year were £147,120k (2019/20: £130,567k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £10,811k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 21.1 Receivables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Contract receivables	30,674	66,271	30,786	66,320
Capital receivables	4,000	4,130	4,000	4,130
Allowance for impaired contract receivables / assets	(10,014)	(8,732)	(10,014)	(8,732)
Prepayments (non-PFI)	7,324	6,431	7,324	6,431
PFI lifecycle prepayments	1,467	1,308	1,467	1,308
VAT receivable	2,739	1,627	2,739	1,627
Other receivables	158	1,544	158	1,544
NHS charitable funds receivables	156	263	-	-
Total current receivables	**36,504**	**72,842**	**36,460**	**72,628**
Non-current				
Capital receivables	-	4,000	-	4,000
Other receivables	1,728	-	1,728	-
Total non-current receivables	**1,728**	**4,000**	**1,728**	**4,000**
Of which receivable from NHS and DHSC group bodies:				
Current	10,206	50,455	10,206	50,455
Non-current	1,728	-	1,728	-

Note 21.2 Allowances for credit losses - 2020/21

	Trust and Group
	Contract receivables and contract assets £000
Allowances as at 1 Apr 2020 - brought forward	**8,732**
Allowances at start of period for new FTs	**-**
Transfers by absorption	-
New allowances arising	3,863
Changes in existing allowances	1,158
Reversals of allowances	(2,857)
Utilisation of allowances (write offs)	(882)
contractual cash flows	-
Foreign exchange and other changes	-
Allowances as at 31 Mar 2021	**10,014**

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.

Amounts written off in the year are still subject to enforcement activity (IFRS 7, para 35L).

Note 21.3 Allowances for credit losses - 2019/20

	Trust and Group
	Contract receivables and contract assets £000
Allowances as at 1 Apr 2019	**6,704**
At start of period for new FTs	**-**
Changes in existing allowances	6,439
Reversals of allowances	(4,411)
Allowances as at 31 Mar 2020	**8,732**

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**
Non-NHS receivables (£000)	457	82	34	62	119	1,355
Non-NHS receivables (%)	20	20	20	20	30	90
Private and Overseas Patients (£000)	108	61	71	348	696	2,764
Private and Overseas Patients (%)	50	50	85	100	100	100
Staff (£000)	0	0	0	0	0	175
Staff (%)	0	0	0	0	0	98
RTA (£000)	75	54	52	185	200	1,102
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. The private & overseas patient area does have a credit loss risk and is reflected in the above table. In addition to the above, specific identified high risk debt has been provided in full.

Note 22.1 Cash and cash equivalents movements

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

	Group		Trust	
	2020/21	**2019/20**	**2020/21**	**2019/20**
	£000	**£000**	**£000**	**£000**
At 1 April	**13,282**	**12,335**	**10,746**	**10,232**
Net change in year	110,185	947	110,712	514
At 31 March	**123,467**	**13,282**	**121,458**	**10,746**
Broken down into:				
Cash at commercial banks and in hand	19	20	19	20
Cash with the Government Banking Service	123,448	13,262	121,439	10,726
Total cash and cash equivalents as in SoFP	**123,467**	**13,282**	**121,458**	**10,746**

Note 22.2 Third party assets held by the trust

North Bristol NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been included within the cash and cash equivalents figure reported in the accounts.

	Trust and Group	
	31 March 2021	**31 March 2020**
	£000	**£000**
Bank balances	9	-
Monies on deposit	-	-
Total third party assets	**9**	**-**

Note 23.1 Trade and other payables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Trade payables	55,362	29,993	55,362	29,993
Capital payables	7,795	3,535	7,795	3,535
Accruals	45,392	30,188	45,392	30,188
Social security costs	4,698	193	4,698	193
Other taxes payable	3,833	72	3,833	72
PDC dividend payable	146	-	146	-
Other payables	258	245	258	245
NHS charitable funds: trade and other payables	146	205	-	-
Total current trade and other payables	**117,630**	**64,431**	**117,484**	**64,226**
Non-current				
Trade payables	-	18	-	18
Total non-current trade and other payables	**-**	**18**	**-**	**18**
Of which current payables from NHS and DHSC group bodies:	27,202	11,050	27,202	11,050

Note 23.2 Contract Liabilities (Trust and Group)

The payables note above includes amounts at March 2020 in relation to deferred income liabilities in respect of maternity pathway income as set out below. The income has been recognised in this financial year.

	2020/21 £000	2019/20 £000
Contract liability as at 1st April	2,884	2,884
Increase in contract liability during the year	-	2,884
Derecognition of contract liability due to revenue being recognised	(2,884)	(2,884)
Contract liability as at 31st March	**-**	**2,884**

Note 24 Other liabilities

	Trust and Group	
	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	8,390	3,633
Deferred PFI credits / income	77	77
Total other current liabilities	**8,467**	**3,710**
Non-current		
Deferred income: contract liabilities	3,790	4,614
Deferred PFI credits / income	1,821	1,898
Total other non-current liabilities	**5,611**	**6,512**

Note 25.1 Borrowings

	Trust and Group	
	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	-	173,639
Obligations under finance leases	2,795	2,426
Obligations under PFI	12,284	13,011
Total current borrowings	**15,079**	**189,076**
Non-current		
Loans from DHSC	-	5,390
Obligations under finance leases	3,921	5,347
Obligations under PFI	368,652	377,767
Total non-current borrowings	**372,573**	**388,504**

DHSC loans were repaid and transferred to Public Dividend Capital during 2020/21 as part of a national initiative. As a result no interest was payable during 2020/21.

Note 25.2 Reconciliation of liabilities arising from financing activities

Trust and Group - 2020/21	Loans from DHSC	Finance leases	PFI	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**179,029**	**7,773**	**390,778**	**577,580**
Cash movements:				
Financing cash flows - payments and receipts of principal	(178,461)	(2,720)	(9,059)	**(190,240)**
Financing cash flows - payments of interest	(568)	(261)	(26,815)	**(27,644)**
Non-cash movements:				
Application of effective interest rate	-	261	24,013	**24,274**
Other changes	-	1,663	2,019	**3,682**
Carrying value at 31 March 2021	**-**	**6,716**	**380,936**	**387,652**

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**

Note 26 North Bristol NHS Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Trust and Group	
	31 March 2021	31 March 2020
	£000	£000
Gross lease liabilities	**7,074**	**8,350**
of which liabilities are due:		
- not later than one year;	2,960	2,639
- later than one year and not later than five years;	3,622	5,700
- later than five years.	492	11
Finance charges allocated to future periods	(358)	(577)
Net lease liabilities	**6,716**	**7,773**
of which payable:		
- not later than one year;	2,795	2,426
- later than one year and not later than five years;	3,429	5,347
- later than five years.	492	-

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)

Group	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2020	**863**	**46**	**4,163**	**5,072**
Change in the discount rate	(9)	-	-	**(9)**
Arising during the year	15	47	5,490	**5,552**
Utilised during the year	(195)	(47)	-	**(242)**
Unwinding of discount	6	-	-	**6**
At 31 March 2021	**680**	**46**	**9,653**	**10,379**
Expected timing of cash flows:				
- not later than one year;	186	46	7,925	**8,157**
- later than one year and not later than five years;	406	-	173	**579**
- later than five years.	88	-	1,555	**1,643**
Total	**680**	**46**	**9,653**	**10,379**

Note 27.2 Clinical negligence liabilities

At 31 March 2021, £249,867k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Bristol NHS Trust (31 March 2020: £257,055k).

Note 28 Contingent assets and liabilities

	Trust and Group	
	31 March 2021	31 March 2020
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(41)	(28)
Gross value of contingent liabilities	**(41)**	**(28)**
Net value of contingent liabilities	**(41)**	**(28)**

£41k (2019/20 £28k) 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 2021	31 March 2020
	£000	£000
Property, plant and equipment	6,400	6,809
Intangible assets	4,857	46
Total	**11,257**	**6,855**

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 2021	31 March 2020
	£000	£000
not later than 1 year	1,625	5,667
after 1 year and not later than 5 years	2,603	1,467
paid thereafter	-	-
Total	**4,228**	**7,134**

Note 31 On-SoFP PFI

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 £437,803,000.

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 2020/21 was £6,541,000. 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 2020/21 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.

Note 31.1 On-SoFP PFI 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 2021	**31 March 2020**
	£000	**£000**
Gross PFI liabilities	**768,917**	**770,295**
Of which liabilities are due		
- not later than one year;	35,646	37,024
- later than one year and not later than five years;	128,888	128,886
- later than five years.	604,383	604,385
Finance charges allocated to future periods	(387,981)	(379,517)
Net PFI, LIFT or other service concession arrangement obligation	**380,936**	**390,778**
- not later than one year;	12,284	13,011
- later than one year and not later than five years;	38,758	38,758
- later than five years.	329,894	339,009

Note 31.2 Total on-SoFP PFI commitments

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

	Trust and Group	
	31 March 2021	31 March 2020
	£000	£000
Total future payments committed in respect of the PFI	**1,702,744**	**1,762,890**
Of which payments are due:		
- not later than one year;	51,205	50,513
- later than one year and not later than five years;	217,946	214,788
- later than five years.	1,433,593	1,497,589

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	
	2020/21	2019/20
	£000	£000
Unitary payment payable to service concession operator	**50,899**	**49,303**
Consisting of:		
- Interest charge	24,013	24,510
- Repayment of balance sheet obligation	9,059	8,075
- Service element and other charges to operating expenditure	6,332	6,116
- Capital lifecycle maintenance	548	401
- Contingent rent	10,788	9,701
- Addition to lifecycle prepayment	159	500

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 2021	31 March 2020
	£000	£000
Charge in respect of the off SoFP PFI for the period	**165**	**166**
Commitments in respect of off-SoFP PFI:		
- not later than one year;	165	166
- later than one year and not later than five years;	55	221
- later than five years.	-	-
Total	**220**	**387**

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

Within the PFI, the interest is subject to annual uplifts in respect of the Retail Price Index. The Trust does not have any outstanding loans from the government, therefore the Trust 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 2021 are in receivables from customers, as disclosed in note 23.

Liquidity risk

The majority of the Trust's and Group's operating costs are financed through the block income and sytem envelopes. The Trust funds its capital expenditure from a combination of internally generated sources, along with capital PDC received in relation to specific schemes. The Trust and Group are not, therefore, exposed to significant liquidity risks.

Planning Risk

The future NHS funding regime remains uncertain with no clear guidance on how Trusts will receive funding after H1 2021/2. Whilst there is no risk to the continued provision of services the lack of certainty about funding arrangements make planning for long term financial sustainability challenging.

Note 33.2 Carrying values of financial assets

Group

Carrying values of financial assets as at 31 March 2021	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	26,386	-	**26,386**
Cash and cash equivalents	121,458	-	**121,458**
Consolidated NHS Charitable fund financial assets	2,053	10,198	**12,251**
Total at 31 March 2021	**149,897**	**10,198**	**160,095**

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**

Trust

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	26,386	**26,386**
Cash and cash equivalents	121,458	**121,458**
Total at 31 March 2021	**147,844**	**147,844**

Trust

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
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**

Note 33.3 Carrying values of financial liabilities

Group

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	6,716	**6,716**
Obligations under PFI	380,936	**380,936**
Trade and other payables excluding non financial liabilities	96,768	**96,768**
Provisions under contract	10,379	**10,379**
Consolidated NHS charitable fund financial liabilities	146	**146**
Total at 31 March 2021	**494,945**	**494,945**

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**

DHSC loans were repaid and transferred to Public Dividend Capital during 2020/21 as part of a national initiative.

Trust

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	6,716	**6,716**
Obligations under PFI	380,936	**380,936**
Trade and other payables excluding non financial liabilities	96,768	**96,768**
Provisions under contract	10,379	**10,379**
Total at 31 March 2021	**494,799**	**494,799**

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**

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

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2021 £000	31 March 2020 restated* £000	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	143,677	282,188	143,531	281,983
In more than one year but not more than five years	133,089	140,257	133,089	140,257
In more than five years	606,518	606,557	606,518	606,557
Total	**883,284**	**1,029,002**	**883,138**	**1,028,797**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 34 Losses and special payments

	Trust and Group			
	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	1	8	1	237
Bad debts and claims abandoned	324	922	9	17
Stores losses and damage to property	-	-	1	137
Total losses	**325**	**930**	**11**	**391**
Special payments				
Compensation under court order or legally binding arbitration award	3	24	21	123
Ex-gratia payments	35	36	42	15
Total special payments	**38**	**60**	**63**	**138**
Total losses and special payments	**363**	**990**	**74**	**529**

Note 35 Related parties (Trust and Group)

The Department of Health and Social Care is the parent department of the Trust.

The main entities within the public sector that the Trust has had dealings with.are:

NHS England;
NHS Bristol, North Somerset and South Gloucestershire CCG;
NHS Bath and North East Somerset, Swindon and Wiltshire CCG;
NHS Gloucestershire CCG;
NHS Somerset CCG;

Health Education England;
NHS Resolution;
Department of Health and Social Care;
Public Health England;
NHS Pension Scheme;
HM Revenue and Customs

University Hospitals Bristol and Weston NHS Foundation Trust;
Gloucestershire Hospitals NHS Foundation Trust
Royal United Hospitals Bath NHS Foundation Trust
Avon and Wiltshire Mental Health Partnership NHS Trust

Bristol City Council;
South Gloucestershire Council

Director, Interest and Related parties	**Receivables at 31.03.21, £**	**Income in 2020/21, £**	**Payables at 31.03.21, £**	**Expenditure in 2020/21, £**
Mr Kelvin Blake (Non-Executive Director)				
Non Executive Director of BRISDOC	-	12,186	16,458	15,873
Professor John Iredale (Non Executive Director)				
Pro- Vice Chancellor of the University of Bristol	364,513	1,715,115	2,061,566	2,967,209
Chair of the governing board, CRUK Beatson Institute	2,174	2,245	-	-
Richard Gaunt (Non Executive Director)				
Non Executive /Governor of City of Bristol College	-	-	695	1,390
Mr Ade Williams (Associate Non-Executive Director)				
Non-Executive Director Southern Health NHS Foundation Trust.	511	216	-	-
Mr Neil Darvill (Director of Information Management and Technology (non-voting position))				
Wife works as a senior manager for Avon and Wiltshire Partnership Mental Health Trust.	318,313	782,670	6,195	291,977
Total NHS	318,824	782,886	6,195	291,977
Total Non-NHS	366,687	1,729,546	2,078,719	2,984,472
Total	685,511	2,512,432	2,084,913	3,276,449

Note 36 Events after the reporting date (Trust and Group)

There are no events after the reporting period which would affect the figures in these accounts, nor which require disclosure.

Note 37 Better Payment Practice code

Non-NHS Payables	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Total non-NHS trade invoices paid in the year	69,828	379,024	77,885	352,800
Total non-NHS trade invoices paid within target	61,061	337,238	63,995	307,996
Percentage of non-NHS trade invoices paid within target	87.4%	89.0%	82.2%	87.3%
NHS Payables				
Total NHS trade invoices paid in the year	2,588	23,136	3,402	21,939
Total NHS trade invoices paid within target	1,520	11,145	1,918	12,621
Percentage of NHS trade invoices paid within target	58.7%	48.2%	56.4%	57.5%

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.

	2020/21 £000	2019/20 £000
Cash flow financing	(100,743)	(6,222)
External financing requirement	**(100,743)**	**(6,222)**
External financing limit (EFL)	(15,771)	(2,690)
Under / (over) spend against EFL	**84,972**	**3,532**

Note 39 Capital Resource Limit

	2020/21 £000	2019/20 £000
Gross capital expenditure	40,486	21,675
Less: Disposals	-	(237)
Less: Donated and granted capital additions	(2,050)	(231)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**38,436**	**21,207**
Capital Resource Limit	38,436	22,788
Under / (over) spend against CRL	**-**	**1,581**

Note 40 Breakeven duty financial performance

	2020/21 £000	2019/20 £000
Surplus / (Deficit) for the period	3,005	(3,822)
Add back all I&E impairments / (reversals)	3,100	4,094
Adjust (gains) / losses on transfers by absorption	-	-
Surplus / (deficit) before impairments and transfers	6,105	272
Retain impact of DEL I&E (impairments) / reversals	(3,069)	-
Remove capital donations / grants I&E impact	(1,689)	519
Remove impact of prior year PSF post accounts reallocation	-	(741)
Remove net impact of DHSC centrally procured inventories	(351)	-
Adjusted financial performance surplus / (deficit) (control total basis)	**996**	**50**
Remove impairments scoring to Departmental Expenditure Limit	3,069	-
IFRIC 12 breakeven adjustment	6,751	6,679
Add back income for impact of 2018/19 post accounts PSF reallocation	-	741
Breakeven duty financial performance surplus	**10,816**	**7,470**

Note 41 Reconciliation between Surplus for the year from continuing operations and Adjusted financial performance surplus for the purposes of system achievement

	2020/21
	£000
Surplus for the year from continuing operations	**3,005**
Add back AME net impairments / (reversals)	31
Remove capital donations / grants I&E impact	(1,689)
Remove net impact of DHSC centrally procured inventories	(351)
Remove gain on sale of Property, Plant and Equipment	(531)
Adjusted financial performance surplus for the purposes of system achievement	**465**

Note 42 Reconciliation between Surplus for the year from continuing operations and Surplus for the year within Group SOCIE

	2020/21
	£000
Surplus for the year from continuing operations	**3,005**
Remove inter-group income	(1,058)
Surplus for the year within Group SOCIE	**1,947**

Note 43 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		6,177	7,888	9,002	7,002	5,605	(19,740)
Breakeven duty cumulative position	(31,573)	(25,396)	(17,508)	(8,506)	(1,504)	4,101	(15,639)
Operating income		473,815	492,883	519,430	529,896	541,376	552,911
Cumulative breakeven position as a percentage of operating income		(5.4%)	(3.6%)	(1.6%)	(0.3%)	0.8%	(2.8%)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(51,561)	(42,922)	(12,143)	(7,440)	7,470	10,816
Breakeven duty cumulative position	(67,200)	(110,122)	(122,265)	(129,705)	(122,235)	(111,419)
Operating income	543,638	530,628	574,469	605,829	667,679	773,284
Cumulative breakeven position as a percentage of operating income	(12.4%)	(20.8%)	(21.3%)	(21.4%)	(18.3%)	(14.4%)

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.